



# proceedings: ABAG-NAHRO conference

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COMMUNITY DEVELOPMENT AND REVENUE SHARING

A Conference for Elected and Appointed  
Officials and Administrators

INSTITUTE OF GOVERNMENTAL  
RELATIONS

DEC 16 1980

Co-Sponsored by

UNIVERSITY OF CALIFORNIA

The Association of Bay Area Governments  
and  
The Bay Area Chapter, National Association of  
Housing and Redevelopment Officials

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November 9 and 10, 1973  
Hotel Claremont  
Berkeley, California





## THE PURPOSE OF THE CONFERENCE

This conference was designed to help locally elected and appointed officials and their key administrators increase their general level of understanding about community development and the context in which a community provides for its housing needs using this coordinated approach.

General revenue sharing and prospects for special revenue sharing or block grants for housing and community development offer new opportunities to local government. With these more flexible funding procedures cities and counties can design programs more responsive to their needs.

It was the sponsors' hope that this conference would provide new insights, suggest fresh approaches and result in more effective policies and programs.

## ABAG-NAHRO CONFERENCE PLANNING COMMITTEE

The Honorable George Lowy, Councilman, Pittsburg, Chairman  
Mrs. Margaret Azevedo, Marin County Planning Commission, Vice Chairwoman  
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Bernard A. Cummings, Property Conservation Division, San Francisco  
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James Nelson, San Francisco Neighborhood Housing Corporation  
Mrs. Rita K. Olken, Alameda County Housing Authority  
Mrs. Helen A. Manning, ABAG, Conference Coordinator

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Resource: Walter D. Gaby, Assistant Director of  
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- Group 4 - Presiding: Ms. Marie Converse, Member, Board of Directors, Oakland Citizens Committee for Urban Renewal  
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November 9, 1973

GENERAL SESSION

WELCOME

The Honorable Florence E. Douglas  
Mayor, City of Vallejo

President Dillon, Officers and Members of the Association of Bay Area Governments and the Bay Area Chapter of the National Association of Housing and Redevelopment Officials, Invited Speakers and Guests, Ladies and Gentlemen:

It is my honor and pleasure this morning to welcome you to this very important conference.

It is gratifying to see so many here and I do welcome you on behalf of ABAG and NAHRO.

I must commend ABAG and NAHRO for arranging this conference and I feel that we will leave these meetings better informed than when we came.

The experience of these two organizations is available to all of us.

As we all know, by meeting together we accomplish much in learning to avoid trial and error methods and also get an outlook on what is ahead in the housing and redevelopment fields.

I am sure I speak for all of us here in thanking the officers and staff for putting together an informative and challenging conference.

THE COMMUNITY DEVELOPMENT PLANNING PROCESS

Henry R. Dishroom  
Assistant City Manager for Community Development, Richmond

What we are talking about in community development is what we've all said we've wanted to do; that is to have comprehensive planning and coordinated implementation of program. Now having said that, I want to talk a little bit about why it is that we don't have that as a usual and customary operating procedure now, and what we can do to bring about this comprehensive and coordinated planning and implementation of program.

Most of you here are people who actually have the responsibility for getting things done; therefore, I will talk about this in a very practical manner. We are all concerned about the bringing together of social and physical planning, and the implementation of combined social, physical and economic planning. In California -- and in other states and other cities, too, to a

lesser degree -- that becomes extremely difficult because no single body has authority over all the things that are involved. This is especially true in the social area; it is even the case in the physical development area. Certainly the same legal body does not have the responsibility for building schools and for building a transportation system. Then you have your hospitals, medical facilities, and the like. In California, with the great proliferation of governmental agencies and other bodies that have authority over the things that go on in any community or any city, everyone tends to feel that he does not have either the responsibility or the authority to do anything about anything except what are his very narrow, legally-defined responsibilities. In fact, there is a general feeling that there is no need to get all worked up over these other things because you couldn't do anything about them anyway.

Let me talk about some of the things that can be done. I want to make very clear from the start that I am not going to tell you a way to get control over everything. That is not necessary. In fact I don't think it would even be desirable for one agency or one body -- and certainly not one person -- to have full control over all the physical, social and economic development in a community. But if you are willing, you can influence those things.

Now in terms of who is going to do the influencing, that depends on what the scope of the agency's responsibility is. We in this group are mainly city council representatives, people who are involved with housing authorities and redevelopment agencies. Depending on which of these agencies you represent, there are people in the community over whom you have authority and to whom you have a responsibility. You can think of their needs or consider the needs of that community or that area in a very comprehensive manner.

In the case of a redevelopment agency, there have actually been efforts to get comprehensive planning and service delivery to people within the project through the redevelopment process. Housing authorities also have responsibility to meet, or to assist in meeting, the social needs of the tenants of their property. And certainly cities -- with the emphasis now on community development -- have a broader responsibility for their citizens than previously accepted.

But then, how do you do it? How do you really have influence over social services, for example, when as a practical matter, most of the social services are funded and carried out by the county? You really have no authority over the county; how can you influence them? All of the authority over the welfare program is, of course, with the county social welfare director. What about such things as the OEO\* programs? What about law enforcement programs? What control does a housing authority director have over the use of law enforcement funds? Or a redevelopment director, or a city councilman, for that matter?

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\* Office of Economic Opportunity.



I want to suggest that there are needs and opportunities to have an impact on all of these, but first you must know what you want. There have to be some very conscious decisions made, wherever you are, on how you are going to relate. For example, first you need to have an assessment of your own needs or an assessment of the needs of the people who are your clients. In the case of a city, the city must have some type of assessment of the needs of its citizens -- on a broad spectrum, not limited to those things the city has authority over and has a direct responsibility for.

After you have made an assessment of those needs on the most comprehensive basis, you need to have an inventory of what is available. One of the interesting things about putting together a simple laundry list of programs available in a community is to find that there are so many programs trying to do everything for everybody. Consequently they really can't get it all done. They would be much better off if some of these agencies or programs would concentrate their efforts on one particular problem that they have a capacity to deal with as opposed to feeling a responsibility to solve all problems for everyone.

The inventory of what's available should include the services provided by both governmental agencies and private agencies. The programs of private agencies are very critical to this effort and should not be overlooked.

You have your needs, you have what is available, and then you come to the problem of how to fill in the gaps, because there are going to be many problems that are not being met at all. There will be some duplications of effort and some services will not be there at all.

Whatever your position is, not having authority over all the people who are doing these things, you say now, "How can I go about getting this changed?"

Insofar as the governmental process is concerned, there are many opportunities to get involved with influencing how service is delivered in any community. To take the law enforcement example a little further, there are planning committees for the distribution of money through the California Criminal Justice System and there is a committee established within each county that will decide where the money is spent and on what programs it is spent. The members of that committee may be members of your community. Even if there aren't members from your community, it's surprising how much influence one person, or a few people who know what they want, can really exert over such a body.

Another thing you may do is discover an agency that has a responsibility that it is not adequately meeting. Maybe with a little spurring along, you can get them to improve.

What I am suggesting is that it is not necessary that you have the resources, that you have the authority, to solve all of the little problems that are problems of those for whom you are responsible. The main thing is that you have the interest. However, I think that, to avoid a situation of spreading yourself too thin, there are some priority decisions that have to be made. You have to decide, and proceed in a very deliberate manner, to pursue various activities to different degrees, since

as a practical matter, you will not have the resources or time to pursue everything to its maximum.

What are some of the degrees of this pursuit? What are the concerns?

First, there are those things that you are directly responsible for and you have the resources to contend with -- or if your resources are short, you have the responsibility to seek the additional means to attack those problems. That would be whatever your direct mission is. The level of involvement there is not only the actual planning, management and allocation of resources, but total involvement in the activities since they are your responsibility.

There is a second level where something is not your usual responsibility and you do not have authority over it, but it is of such critical nature that some of the resources under your control would need to be put into this area as a means of making your job easier. Very few cities have involved themselves in child care. But on the other hand, if the development of child-care facilities and the support of child-care programs will make it easier for citizens to get jobs and pay taxes, then it would be advantageous to the city to get more child care. (I am not saying that the child-care problem is a problem in every city, I just used that as an example.) This second level of involvement is more remote than primary involvement, where you really are responsible and have to put resources on a first priority basis. The city, of course, has to support its police and fire departments. But in the child-care example we're talking about another need of citizens that, in this assessment of need, has come out to be very high for citizens of the city. You look to the county and you look to the schools for child care, but the fact is that the service is not being provided to the extent that your residents need it. The same example could apply for tenants of a housing authority.

I suggest that if a city is able to articulate its citizens' needs, there is a good chance that the responsible agencies will meet those needs because they are going to be more responsive to the city than to a group of citizens.

Let's suppose that just the advocacy is not enough. The city might want to go to the extent of building or rehabilitating the facilities, or maybe actually paying a part of the cost if it really helps to save a part, a small part, of the cost. It is surprising how frequently an agency will respond to an appeal when the city itself is making a contribution. I am suggesting that the county or the school district would be more willing to meet its responsibility to your citizens or your clients or your tenants if your agency is actually making a contribution. They respond in a positive manner to your getting involved by the actual allocation of resources to an area that is not normally considered a responsibility of yours.

The third level of involvement, which is even more remote, is that of advocacy -- strong advocacy of planning efforts, lobby activities which may be in the form of assistance to private citizen groups. For example, if there is something that is needed by a particular segment of the community, the city or the agency supports an organized effort to provide it. It may be only that you help them in knowing how to lobby and in



getting contacts with the right people. Giving your own support to their efforts actually costs money because it's going to take staff time. The very first decision you have to make is the decision to commit staff time and effort to this whole thing.

I suggest the third level of involvement would be one of support and assistance in lobbying, letter writing, data gathering, and other activities short of actually putting money and real resources into the effort.

The fourth, and most distant, level of involvement would be one of simply providing information and nothing more.

It's very important that you decide how deep you are going to get involved in whatever activity you are about to pursue or that your needs assessment indicates should be pursued. You obviously can't have involvement to the extent of providing resources to solve all problems; you don't have that kind of money, and you don't even have the kind of time to put special effort behind solving every problem. You've got to give things priorities. So you have to determine what level of involvement you want to go to. Will the housing authority, for example, want to actually provide money to a police department to increase or set up a special police program in the area? If you are willing even to provide the space for such an activity, you might find that you get the cooperation of the police department. This is the kind of thing I am talking about.

Within a category, you have to assign priorities.

I'm not talking only in terms of a federal grant program, but I am talking about a local commitment to getting community development done whether there are additional funds for it or not. We are talking about the use of resources, and I think that the various federal bills to provide those resources are really coincidental to the whole process. We could do this regardless of the amount of money. Obviously, if you are going to be getting millions of dollars to carry out community development, it can be done on a greater scale. But it doesn't matter if you don't have any federal money at all; you can still go through this process. At a minimum, a city -- and probably a housing authority -- should do this. (In terms of redevelopment agencies, the responsibility for the residents in the project area is, of course, the responsibility of the city, so the redevelopment agency's activities have to be coordinated with the city's.)

There should be this look at a total city's needs if for no other reason than the fact that of all the levels of government, the city is the closest to the people. The county is more remote; the state government is virtually out of reach of the average citizen. Because you're there -- whether you think you have the responsibility or not -- as a city official, the residents will come to you -- the person with the need to redress some grievance, whether social, physical or economic.

The activities of the OEO program are very good in stimulating citizens to make this type of demand. Apparently, in the future there will be fewer programs like OEO for people to take their grievances to, so I think

they're going to come to city governments. I really do. I think they will go to the city establishment and say that they want you to take on this role and be their advocates. We are going to need a system by which we can determine how we are going to respond; first determining what our needs are, taking a look at what is available, and then deciding to what extent we can influence the delivery of service by all agencies. How can we influence them? By actually baiting them with money? Are we just going to influence them by stating our needs and supporting our citizens' needs, or are we simply going to make information available to people who may want to do this? We have got to decide what level of involvement we are going to have as a means of getting some adjustments in what services are delivered, to get rid of so much of the duplication, to fill the gaps. From time to time we also have to invest some of our own resources.

You will not be able to control everything, and I am suggesting that it is not necessary. If, for example, we get the federal assistance so that you have dollars, it is surprising how willing people will be to talk with you -- whether you are going to give them any money or not.

I am reminded of the time when I was Model Cities Director. The first couple of years it appeared that the federal government was going to rain money down on all the Model Cities. Everyone wanted to talk to me. I frequently say I understand how girls feel when they are running from guys, because I had so many people chasing after me to get my Model Cities money.

If the federal government does provide the funds for community development, and if it does consolidate some of its programming and then suggest that this same kind of consolidation can take place at the local level, I suggest that a lot of agencies will be more willing to relinquish more of their control to be a part of the whole system. People are always a little afraid when you come to talk to them if it appears that you are going to ask them for money. They would rather you have some so that they can try to talk you out of yours. This will certainly help, but at this point I am suggesting a scheme which doesn't necessarily require special money to carry out your program.

## THE COMMUNITY DEVELOPMENT PLANNING PROCESS

Richard A. Oliver

Director of Planning and Community Development, City of Napa;  
Executive Director, Napa Community Redevelopment Agency

As an individual in local government deeply involved in the community development process, I have recently been participating in many discussions in a constructive effort to convince my colleagues to recognize the pressing need to innovate new forms of administrative organization to meet the sudden challenges of community development brought about by pending revenue-sharing legislation as well as a revolutionary change in the nature of community involvement in the growth and development process.

The biggest immediate challenge now facing the development of our communities is not what to plan, or whom to plan for, but who should plan and how they should go about it -- a question of who should be vested with the primary responsibility to control the future of our cities. Up until recently, these questions weren't even being raised.

In our discussion today of creating constructive and viable administrative mechanisms to carry out the requirements of general and special revenue sharing and proposed community development legislation, finding some of the answers to the above questions becomes imperative. I can only present to you what I feel is the optimum framework, administrative and philosophical, for this task. I'm sure many of you present may disagree with what I'm going to say, but after all, that is what meetings such as these are all about.

With that framework in mind, I would first like to consider briefly how we might go about preparing for the problem, based in part upon our experience in Napa, and then briefly discuss what I feel are some of the major community development problems to which we must assign highest priority.

#### The Argument for Administrative Innovation

The major crisis facing all cities is the exchange of information among all sectors of the community -- at every level. We can only find the solution to all of the urban problems, including those I shall discuss today, if we find the political leadership and largeness of vision to relate the efforts of various segments of the community toward an intensified cooperation.

Low-income groups must feel free to come to government or service clubs to discuss their problems openly. Young people must feel that the older generation is working with them -- not against them. Business and industry must look to cooperate continually with government and vice versa, and this cooperation can't be a one-way street -- both sides must give a little.

The expansion of the mass media and communications has brought about better informed citizens, who just will not accept public decisions which are made in the back room. All sectors want a voice in making major decisions which affect the community. But most groups, except the business sector, are simply unprepared to participate in the decision-making process. When they approach local government with their demands for housing, for instance, they usually expect that all they will have to do is find the magic button to push. They soon find there is no button, and instead they are faced with federal requirements, local ordinances, uniform building codes, zoning ordinances and other frustrations. On top of that their demeanor and attitude usually alienate the political and economic forces and they get nowhere. There is no clear-cut responsibility in most local governments to coordinate or even be concerned about these matters. Should it be the planning department? The city manager? Who? Most people blame the planners for doing a lousy job, and recite all of



the social ills that planning has failed to correct. "Failed to correct" is too mild, many argue. Planners should be held responsible for creating the environmental problems, not the least of which are slums, urban disarray and discrimination. As we review the functions of government, it becomes increasingly clear that we must establish a process for decision which is firm enough to relate all of our actions to some kind of a system of order, yet flexible enough to respond to great new forces in society. Increasingly we will have to think of planning as a process, a process in which the people who are planned for have a voice and a hand in the planning that is being done for them.

If cities are to become a force to achieve a humane environment, they must mobilize their resources to attack their problems at full scale, and across the board. Nothing short of this will make any difference in the long run. No city can be a major force for anything by letting the future wash over it.

With these factors in mind, I would like to suggest a possible organizational framework more relevant to the dynamic community development processes suddenly confronting us. The following organizational chart indicates such a framework. (See chart on following page.)

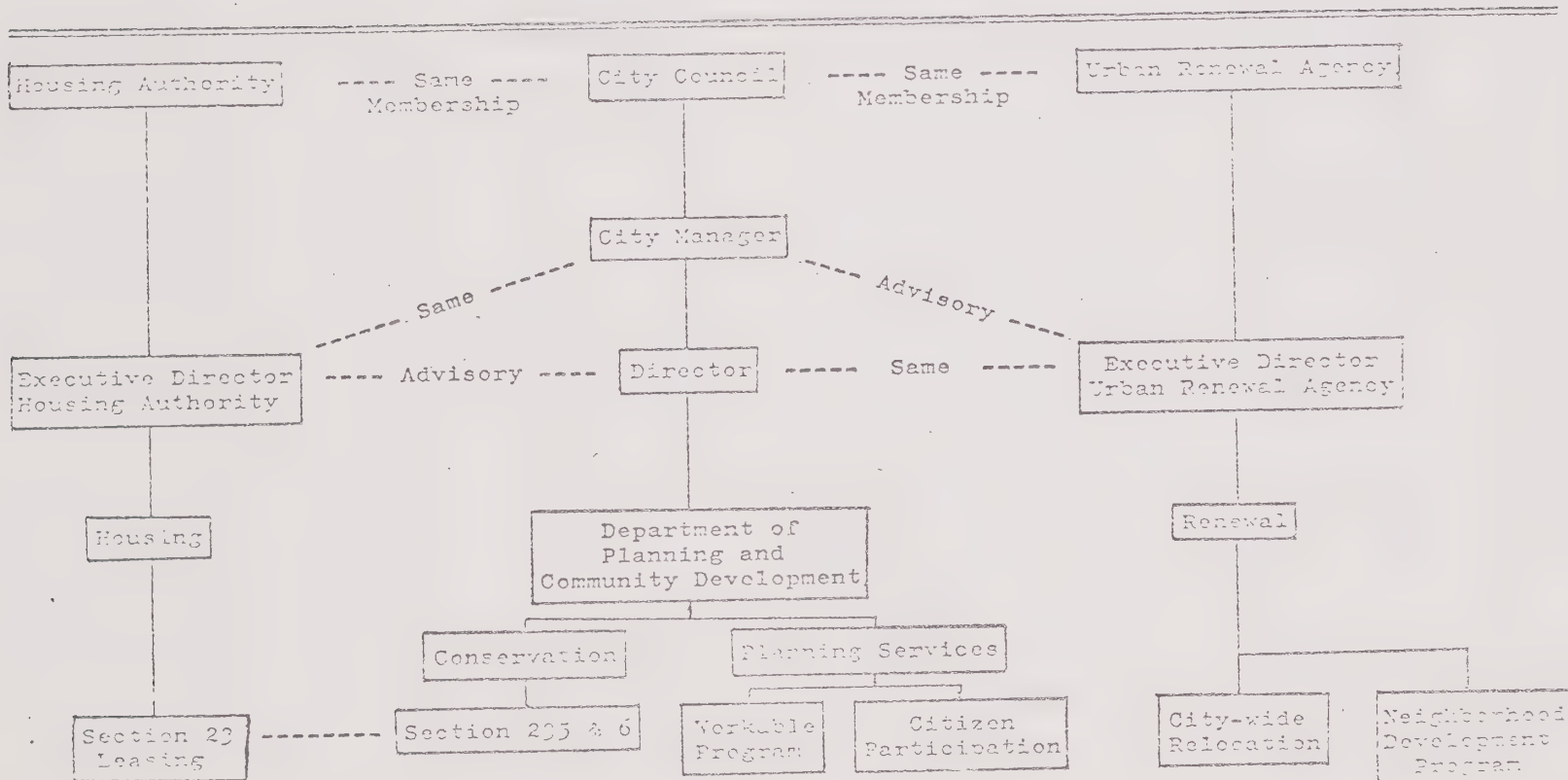
Such an organization, of course, requires extremely competent people in the key positions, a greater commitment from elected officials and a greater emphasis on the responsibilities of the city manager. At the same time, however, it also brings about an immensely improved coordination of programs, an infinitely more involved and informed group of elected officials, a framework for much faster action on programs and a reaffirmation of the fact that the city manager will likely have more sense and knowledge than anyone else involved.

I realize that there is significant sentiment that such an organization could not operate in our larger cities, but I disagree with such conjecture. With perhaps some minor modifications, I believe it could significantly help to resolve many of the existing interagency jealousies and antagonisms which often stand in the way of major development programs.

Those communities which can best establish a creative community development mechanism are the ones which will progress with the greatest unity of action in community development programs. I feel one of the key reasons Napa has been extremely successful in our recent planning programs -- including Redevelopment, General Planning, Housing, River Development coordination and Open Space programs -- is because an innovative administrative organization and effective citizen participation have been a part of all of these efforts.

One brief note about citizen committees. They can and should play a constructive part in your community development program, but should not be used indiscriminately as a political cop-out every time a major decision confronts the elected officials. Unfortunately, this trend is suddenly becoming much too evident. Such actions usually result in only complicating the matter further as special interests on the committee dominate representation, or members are harassed by special interest groups and are normally

# LOCAL COMMUNITY DEVELOPMENT ADMINISTRATION



unprepared to cope with such political and personal pressures. The result can be seemingly endless delays in taking action on a program which could often have otherwise proceeded in exactly the same manner months earlier.

#### The Local Community Development Relationship to Regional, State and Federal Actions

Achieving and maintaining a superior quality living environment, as well as implementing a realistic program of community development, requires of course, consistent and definitive environmental planning commitments at the regional, state and federal level. You are all aware of the constructive and promising efforts at regional planning being undertaken by ABAG. The state and federal commitments are quite another matter.

Money availability and tax reform will tell the success or failure of our community development efforts on such programs as housing, open space, conservation, redevelopment, etc.; programs which are clearly more than local and cannot be solved locally -- fiscally or philosophically. We in local government should go immediately to the Nixon Administration and the Governor and demand that they stop passing the buck to us and show some serious intent themselves. If we don't, we may well just be creating a little more local confusion in our "gearing-up" efforts and ultimately frustrating the citizens of our communities. It is sad to note that the present state and federal leadership is becoming expert at abdicating its moral and fiscal responsibilities in community development. Governor Reagan succeeded in abolishing the State Office of Planning early in his tenure. Since then, his record regarding environmental matters has been clearly disastrous.

But it is the federal government to which localities must principally turn for the resources to implement their development programs, and the Nixon Administration's commitment - if there has been one at all - has been appalling. Each year there has been a new fad or gimmick as an excuse for less financial commitment to the cities. In 1969, it was "Design Excellence"; in 1970, "National Goals"; in 1971, "Prototype Projects"; and in 1972, "The New Federalism", which could more accurately be termed "The New Fadalism".

Throughout this period, HUD has organized and reorganized ad nauseam, with the stated objective of providing better service to the communities, but the inevitable result being merely a drastic reduction in its own capable administrative staff and a lessening in service to communities.

At this very moment, the prospect for federally-assisted programs, not to mention special revenue sharing, is hopelessly muddled, to say the least. The community development legislation, so essential to avoid the necessity of closing down all federally assisted community development activities next July, is only now being given consideration by Congress. The outlook for enactment this year is bleak, which means the earliest the bill could go into effect is 1975. And all of this in the face of an administration, smothered in immense internal problems, that has stated it intends to veto any reauthorization of the present categorical programs which are proposed to be incorporated into community development. If this painful possibility



should come about, all momentum in federally-assisted programs in cities would be at least temporarily terminated and communities would be faced with the protracted process of regrouping their total community development effort.

Every city and county should join with NAHRO to make passage of a community development bill their highest priority in the months ahead. Congress and the Nixon Administration are clearly working at cross purposes. The Nixon proposal is totally unacceptable. If city leaders do not intercede with all of their effort, we will lose community development again this year and very likely over 2 billion dollars in desperately needed urban aid. This would mean the loss of momentum for urban regeneration that has taken decades to build up. It could irreparably shatter the hopes we have for making our cities more livable and humane for their inhabitants.

### Highest Priority Community Development Objectives

The highest priority in any community development effort must be a community-wide determination of, and firm commitment to, as precise as possible a list of values and objectives which the community wishes to pursue. A clear and consistent definition of environmental goals and development policies is indispensable. I firmly agree with those critics who claim our biggest problem is that most cities have no vision of where they are heading and no goal. We really don't know what will be required to achieve any particular environment, nor have we given a great deal of consideration to whether we are willing to pay the price of reaching our objectives.

We planners must accept part of the blame, also, for we have not adequately evaluated -- nor completely informed the public as to -- the potentials and costs of alternative courses of action, particularly if our cities continue in their more or less haphazard patterns of growth. We have not accepted the great extent to which public facilities dictate the patterns of growth, nor have we made an adequate effort to plan such facilities to guide growth along desirable lines.

A second major community development priority relates to confronting what I call the "outer sprawl-inner city trade-off". We have finally begun to realize that one of the costs of permitting unrestrained urban sprawl is the decay of the inner city. This phenomenon applies to large and small cities alike. The economic costs of sprawl are only now being accurately determined to exert a negative strain on the local tax base in terms of such services as fire, police, schools, utilities and other essential services that have come to be taken for granted as a cost to the local government. As this is occurring, the inner city deteriorates, which brings about blighted and abandoned structures, increases in crime, visual pollution and concentrations of low-income persons. I submit that the "outer sprawl-inner city trade-off" is a cost local governments can no longer afford or absorb, economically or environmentally.

I will grant that some fringe growth will occur, but our primary concern should be where, when and how it will come about. This can solve part of the problem. But how can we reverse the decay of our downtown areas? There are several possibilities which I feel should be pursued as part of your community development program.

Unfortunately, our property tax system is the major culprit. Everyone knows it subsidizes blight, sprawl and speculation, and wreaks havoc with comprehensive land planning and downtown revitalization. The property tax on improvements is so high in some cities that there have been no major buildings built in fifty years. In other cities, undertaxation makes it more profitable to underuse and misuse downtown properties than to develop them properly.

In most cities in California, property owners can hold their land off the market for as little as one-half of one percent while waiting for other taxpayers' investments to raise the value of their land. In San Francisco, for example, taxpayers are moving out 1,000 per year faster since 1968, and welfare recipients are moving in. If nothing is done with the property tax situation, with the increase in the metropolitan area, sprawl will unfortunately cause San Francisco to have the same problems as Los Angeles within the next decade.

So how can we solve these problems? We need substantial residential construction close to our downtowns, which is much less wasteful of time, land, money and our diminishing resources than is urban sprawl. In addition, this would keep our downtowns active at night as well as daytime hours. Around each of our downtowns we have blighted or underused properties perfectly situated for such housing developments for many of our elderly, low-income and upper-middle income citizens -- yet the present property tax format stands in the way. There are potential solutions to this problem which every community should investigate immediately.

Redevelopment studies should be undertaken, with particular attention given to utilizing such techniques as tax increment financing. Because this was a part of our program from the onset, the Napa Redevelopment Agency presently has a reserve of more than a half million dollars in unused tax increment funds in the bank.

Communities should also support tax reforms aimed at removing all or most taxes on improvements and shift them entirely onto the land as has worked successfully in Wisconsin and New Zealand. This would do more than any other single action to revitalize our communities and could reduce homeowners' taxes by as much as 30 percent. This is such an obvious and simple solution that it is hard to believe it has not been enacted long ago.

A final major priority in our community development programs relates to the changing role of the ordinary citizen in the growth and development of his city. I believe we have at last passed the stage in urban growth in California where major growth and planning decisions will be dictated solely by the developer. Citizens will simply no longer stand for this type of growth and their demands are being repeated throughout the Bay

Area at the ballot box and packed city council chambers. Though often their arguments are selfishly motivated or uninformed, the reality of the situation is that the phenomenon is here to stay and therefore every city must begin a serious program of informing the populace of alternative courses of development actions, including outright denial of a project. At the basis of such a program of information is a conscientious research and public information effort regarding the costs and benefits of proposed projects. The environmental impact procedure has given us a start in this direction, but too few cities have realized the importance of cold hard data in determining whether or not a project should be permitted to proceed.

The adaptability of human beings to environments that are compatible with economic pressures of development, but destructive of human values, creates difficult problems for community development. Local governments must begin to question seriously the kind of stimulation that will encourage economic progress on the one hand without carefully analyzing its effects upon the total quality of life in the community. The promoters' tender solicitude for "all the people who are coming here" will no longer be impressive unless it is matched by a similar concern for people who are already here. The basic human urge for an environment in which it is possible to satisfy the longing for quiet, privacy, beauty, independence and open space must finally become our primary objective, along with a realization that these are not frills or luxuries but real biological necessities. They will be in short supply long before there is a complete breakdown of the sources of energy and materials that keep the human machine going and commerce and energy expanding.

Finally, I do not believe the sudden militance and devotion of so many people to thrusting themselves into the community development process can be explained simply in terms of schools, trees and loss of open space (as important as these may be). I am convinced it represents something far deeper -- that it symbolizes a grave concern and emotional desperation about the rapidly disappearing qualities of urban living and our vanishing natural resources. It is a subconscious concern for the future of our total environment and way of life -- an awakening to the fact that man cannot gain a contented level of economic life or culture in an urban environment he permits to be plundered or defaced. And if our economic and financial system requires a balance between income and outgo, human culture demands a still greater measure of discrimination and care in the use of the environment, a more delicately poised equilibrium between the landscape and the modes of human occupation. And it is precisely because our culture has reached a new stage of development that we can no longer be satisfied with a blind commitment to our past practices of unregulated urban development and unregulated personal consumption.

I am optimistic that we can and will define our social and economic goals, revise our anachronous property tax structure and move with the reviviscent tide to bring about multipurpose community development where human values and the beauty and lenience of our cities is our principal consideration. Likewise, we can and must formulate state and regional development plans predicated upon the concept of a continuing "livable" California, within the context of national and even international objectives.



Both planners and politicians have a habit of saying, "If they had only listened to us, things would have been different." With the new wave in environmental awareness, coupled with the vigilant hope of federal revenue sharing, we precipitously find ourselves presented with that rare opportunity to participate in the most far-reaching and innovative solutions to the urban crisis in over a century. And this time our tools are sharper and more soundly tempered. It remains only to be seen if our will and our hearts have also seasoned to the task.

# HOUSING PEOPLE: A KEY ROLE OF A COMMUNITY DEVELOPMENT PROGRAM, A Slide Presentation

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I may perhaps seem somewhat retrogressive and negative in my presentation, especially following the remarks of the last two speakers. I don't pretend to bring you any solutions; all I wish to do is to help define problems. Although the seminar title is Community Development and Revenue Sharing, I've been asked to talk about housing needs, and that probably is extremely appropriate because if one takes a look at our society and our culture, we are very anthropocentric. We feel that man is the center of the universe, that everything in that universe is for his use and exploitation. I am not going to comment upon whether this is right or wrong, but that happens to be the way we look at things. Since that is the case, and since the social unit -- at least in Western society -- is the household or family and since that unit is housed in a dwelling, we come up, strangely enough, with the Census definition of how one measures housing needs. The Census measures households, and every household that was counted in 1970 was living in a housing unit. Ergo, you have equality; you have no housing problems because everybody is living in a housing unit.

Since the Census says we don't have an immediate housing problem, how do we convince elected officials that there are housing gaps which must be met? Well, planners and experts talk about housing needs. I was delighted to find in my kit today an excellent pamphlet on housing needs in the Bay Area. The reason I thought it was so excellent, even though I only had the chance to thumb through it, was that it spends as much time defining gaps and talking about missing data as it does talking about the things which can be quantified. And I believe, if you listened carefully to Dick Oliver, the kinds of needs that he was talking about are indeed the real housing needs. Now going through a housing needs study, trying to figure out what the needs of a region, state, county, municipality are, we generally start out with the simple and simplistic things such as future demand for new units. We've got to do that. In other words, since we knew what the housing supply was in 1970, obviously we've got to start out by figuring out what our population gain is likely to be over the next decade, due to family formations and immigration. We have to make some kind of projections as to what the size of that household unit is going to be. We find that in making projections for this

next decade, because of changes in style of living, family units are probably going to get smaller. So we juggle all those figures around and come up with some kind of a wild guess at the quantity of the new housing units needed. We break them down based upon what we think are going to be the family sizes, until we find out how many bedrooms we're going to need in those units. We come up with some kind of a ball park figure which we call projected housing demand.

Then we talk about other physical dimensions that we can identify. One of these is people who are living in substandard housing. We've got to either rehabilitate these bad houses, or knock them down and build new units in their places. So we come up with a backlog of housing need and a figure representing the number of existing substandard housing units. Unfortunately, as this good brochure points out, we're guessing again. Well, why are we guessing? We're guessing because, unfortunately, one of the things that has been pointed out in housing also holds with the Department of Commerce, which does the Census: there isn't any continuity in the data input. Standards of measurement which were used in 1950 and 1960 to determine substandard structures didn't carry over into 1970. And again, planners have to make some wild guesses. So if we come up with some figures and say this is the number of substandard housing units, we're just juggling figures around and guessing. But we are forced by those who want to see "hard facts" to come up with believable figures.

Now we'll turn on the slides and show you what some of the other housing problems look like. I am not going to pretend that this is what is in every community, but I think that these slides are illustrative of the kinds of housing that are found in many Western communities: frame construction, older housing stock. These are the kinds of things that we talk about and we've got to do something about. This is the substandard stuff at ground zero that has either got to be razed and replaced by new units or rehabilitated.

Now we get into another housing need that we try to quantify. There's housing that has already deteriorated. Time and the weather man don't stand still. Housing stock is going to continue to deteriorate, so, if we can identify the number of units in the housing stock which are old and getting older, we have at least called attention to those units which are most likely to need attention during the next ten years -- if we're making a 10-year projection. And so we can identify a pool of housing which is going to have to be either continually maintained and rehabilitated or else is going to deteriorate to such a degree that it will have to be replaced.

Now there's another thing. And this is going to get me into some of the other needs I was talking about. That equation we started with -- one housing unit for each household -- is highly suspect. If you are going to meet housing needs, you've just got to get beyond that. You've got to find out what kind of unit it is. Is it the right size? Is it in the right location? Does it suit the needs of the family?

Another physical need some of us tend to overlook is the question of security. In cities today, people have abandoned some neighborhoods;

other neighborhoods are only occupied during the day -- at night everyone goes inside and closes the shutters. Because people feel insecure, it requires more than good locks and street lights to restore a feeling of safety, but even so, physical design considerations can go a long way toward providing more secure dwellings.

In examining the problems of housing security, we must consider the pool of housing that has been repossessed both by the banks and by the FHA. There are some neighborhoods in the country where the FHA has repossessed literally thousands of houses and is unable to watch them, guard them, rehabilitate them again because of the security factor. You may have read an item in the paper the other day where the mayor of Seattle charged the FHA with becoming the largest slum owner in the city by repossessing some 1,300 units which were rapidly deteriorating and were not being repaired and put back on the market.

But look at this slide. Here's something that a designer could have taken care of. Here is a multifamily unit facing the street, windows are smashed. Reach inside, turn the latch and walk in. No dead bolts, no thought about design, inadequate hardware, substandard sash. You see here that the security that the householder has provided for himself is in the form of a wooden stick used to jam that sash so it can't be jimmied from the outside. I must point out that in this particular project it didn't do the owner very much good, because the professionals in the area understand how you can walk up to that kind of sash, and -- because it is so flexible -- with a jimmy you can bow it and take the entire sash out and walk right in. These shots, by the way, are from federally-financed, approved, housing; those components apparently met the MPS\* of FHA.

Now we go on to the kinds of social and economic factors that also affect housing needs. We've talked about the demand for additional housing units, but what about people who are living in units now and are paying far too high a percentage of their income for housing? That is a very important factor in housing demand. I don't have to go into the social consequences of families who pay such high percentages of their income for housing that little is left over for education, for health, for even food. Again, this is the kind of thing that can be quantified in some ways, because data about the median-income levels, median rents, sizes of units, family incomes and so forth are available in spot counts, parts of which can be garnered from the fourth-count Census tapes. You can make some estimate of how many people are in this kind of situation. The people who overpay for housing constitute an identifiable group with an identifiable housing need.

Another problem is access to the market. Simply because you have a community which has a balance between the number of units and the number of households doesn't mean you don't have housing problems even if you didn't have any other substandardness. In order to determine how many

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\* Minimum property standards.



families do have access to the housing units available, incomes must be balanced against housing costs. Back in 1960 one could have said that the housing market was in balance. The median value of new housing produced in the United States that year was around \$17,000. In order to afford that kind of housing, that is, paying 25 percent of income for utilities, mortgage, insurance premiums, the whole debt service, you had to have a family income of about \$6,200. The median family income in the United States was \$6,225. The median or average family could afford the median house that was being built at that time. The market could serve needs. In 1960, the median value of the existing housing was around \$13,450 and a family with about \$5,000 yearly income could afford the median existing house. This meant that substantially the market was working, aside from its inability to fill the needs of those with extreme low incomes and a number of other problems.

By 1970, the median value of new housing had gone up to \$23,000. That would mean that a family with about \$11,000 income could take advantage of the new housing market, but at the same time the median family income in the United States was only \$10,400, a deficit of about \$600. That was still not too badly out of line, but by 1970 we were getting to a point where the market was struggling desperately to serve all the people. The median value of existing housing at that time was about \$21,000 and it required about a \$9,500 income to afford as against that \$10,400 national median income, so at least more people did have access to existing housing. To that extent one might say that the trickle-down model was working.

Now in the last three years, as of early 1973, the median value of new housing in the United States jumped from \$23,000 up to \$31,500. And I stress that that was early 1973. The figures have gone way way beyond that since then. At the same time the median family income for the United States had gone up to \$11,500, but a family would require an income of \$14,500 to buy that median new house. The median value of existing housing had gone to about \$26,800, requiring a median income of \$13,000 to afford that kind of house, as against the U.S. median income of \$11,500. What it means is, to quote to you from Mr. Romney's "swan song", some 80 percent of Americans do not have access to the purchase housing market today!

Again, if you had a community where the number of units exactly equalled the number of people, you wouldn't have a balanced market because that would be an escalating, inflationary market. There has got to be some kind of surplus to allow for motion in the market. Planners generally say that figure is about 1-1/2 percent of sales units over and above the number of households and about 5 percent excess in the number of rental units, just to give mobility to the market. That surplus number has to be added as a quantifiable figure when you're trying to quantify various housing needs.

There is another physical housing need index that we can measure. We can measure it from the Census, luckily. That is the number of families living in overcrowded conditions. The Census chooses to define overcrowding as more than 1.01 people per room in a dwelling. Others say that it should

be 1 1/4; some say it should be 1 1/2. Again, we get approximate figures that may or may not be meaningful because there may be a number of people who choose to live that way -- subfamilies living together, for example. On the other hand, I think that it is pretty clearly known that most people who live in overcrowded conditions do not do so by choice. Most overcrowded living situations represent another family that needs a housing unit and probably can't afford it.

Now I'm going to start to talk about some of the other tangibles and intangibles that tell about whether units which appear to be sound are really usable units. I was talking before about security; I am now going to start talking about design. It is going to cut across many of the things I was talking about. Here is a HUD-approved project which happened to win a design award. You are looking from the street into the laundry facilities. Those can be viewed only from the street. None of the residents in the project can look out and provide security to single women alone, or children, or anybody else using those coin-operated machines. The result has been muggings, rapes, and most frequently simply ripping off the coin boxes, because the best security position there is from the outside street.

Look at the way the mail boxes were designed. This was a project intended for low-income people. Again, the mail boxes are on one wall of the laundry facilities. They are visible only from the street. When the mailman comes on the first of the month with the welfare checks, all it takes is one semiskilled rip-off artist with a little pry bar to open up an entire section of those aluminum boxes. You can see the little key hole slots that the mailman uses. The mailman can open three of those sections and put the checks in, while someone with a bar can open each one of those sections with a little flip of his wrist; out go the welfare checks and away goes the thief.

Here is a picture of the "median house" that I was talking about. These happen to be in a suburb in Seattle. They're \$33,000 houses, right about on the median. They are affordable only to about 20 percent of the population in Seattle. Here's another median new house at that price. This slide shows an existing house at the median figure I quoted you. That, by the way, happens to be a 2-bedroom house in a good neighborhood. You pay for the neighborhood, I suppose. But a 2-bedroom house listing at \$26,500 or \$27,000 is affordable by only about 30 percent of the residents of the Seattle area.

Now let's start talking about quality of life. The previous speaker set an excellent background for that. As the next set of slides of suburban tract houses illustrates we're letting the market dictate where new housing will go. The market is forcing people into this kind of pattern. The suburbs do this: they are built around the car; built around the commute to work. The units are not appropriately placed for public transportation. They are not appropriately placed for jobs. A few slides back, you saw those median-priced houses. Those are available only to upper-income people. Yet it is a fact that in the last 15 years, 2 out of every 3 new jobs created in the United States have been in suburban

areas, not inside city limits. We have become a nation of two-way commuters. The suburbanite commutes to his office in the core city and the lower-moderate-income dweller who is confined to the older housing stock within the core city -- if he is to take any advantage of the service jobs in the shopping centers and in the warehouse facilities (these are the kinds of new jobs being created) -- runs a reverse commute and both end up by demanding acres and acres of asphalt for roads and parking lots, more cars, more pollution. Not demanding, but being forced into that kind of situation because of the way we don't plan how we meet these housing needs.

Obviously if housing is to be suitable to people -- to human needs -- it has to be located in appropriate surroundings with the required physical amenities, which are schools, parks, libraries, utilities, and so forth. The continuation of suburban expansion simply proliferates the demand for those kinds of services, despite the fact that that kind of infrastructure is generally quite well developed and fairly well paid for in the central city. It does not make sense economically, but that's what we're doing.

Once again, I just have to come back to this, a house is not a home. When a structure is built, it doesn't necessarily mean that you've satisfied that unit of housing need. Again, let's talk about planning. Here is a planned unit development out in the suburbs. It's not anywhere nearly as bad as this on the next slide, a conventionally planned development in the suburbs. You go out; you find some open space; and you fill up that open space with driveways, streets, roofs, curbs, sidewalks; you change the entire run-off patterns. I concede that if one were to take an architectural scale and were to figure out the coverage of structures and driveways and appurtenances to the total land areas, it wouldn't look too bad. It would tend to uphold the builders' claim that open space is being created. It just isn't so. There's open space and then there's open space. If the open space cannot be used by the public, it is not open space. It is waste space -- once again, promoted and fostered by our tax structures.

Here's another kind of inadequate neighborhood. This is in the central city. This one has lots of open space -- lots of big backyards, open alleys. It has big utility poles running down the alleys. There is lots of open space there. But, this is a neighborhood which has been deserted by the city services, utilities, normal amenities. In many of our big Western and Midwestern cities you will find unpaved streets -- right within the city limits of cities like Seattle, Tacoma, Portland, even Los Angeles. What incentive is there for either a resident owner or a landlord to maintain and develop his property when these are the kinds of utilities which are provided by the city? This particular shot was taken three-quarters of a mile from the central business district of the city of Seattle.

This slide shows another kind of open space. Again, talking about the amenities of design, there are simple things that could easily be put in, but here the builder has paid only lip service to HUD's requirements that some recreational facilities be provided on the site of this multi-



family development. The playground for the children is tucked behind a hill and blocked out from the view of every single living unit from which the mothers might look out and supervise their children. It is abandoned -- I have never seen a child play in that area yet. The next slide shows how it might have been done.

Both projects that you have just seen are 236's.\* In the second project, the play area is in full view of every kitchen window in that complex. The open space in the center of this particular project makes sense. It's continually utilized. It is criss-crossed by people at all times of day. It is well lighted. There is security. There's use built into it. They are both 236's. Why was one good? Why wasn't the other one good? They're both supposedly built to the same federal standards using the same standards and the same costs.

This scene happens to be outside a 221-(d)-(3)-rent supplement building.\*\* Again, this building won a design award. Those are 12-foot high open-beam ceilings. The low-income families paying between \$40 and \$75 a month rent have to heat all of that open space. This is a project in which the utilities are not included in the rent. Each family has to pay his own heat. We've done some rough calculations based upon wall area, insulation, construction, internal volume and so forth, and the capacity of that electric heater. We have found that those buildings can be adequately maintained at 68 degrees only when the exterior temperature says above 34 degrees. Last February during a cold snap -- this is the city of Tacoma -- heat bills for low-income people, many of whom were paying only \$40-\$45 per month rent, averaged \$40-\$50. I should point out to you that the electric rate for the city of Tacoma is the lowest in the United States. Yet these units were built and financed federally; the MPS's were all met.

Here's the exterior of that same building. For sophisticated urbanites, dramatic, usable, exciting, but for low-income people, crowded, intimidating. These high walls, narrow corridors, have the effect of thrusting down on the children especially. You just don't see people using them; you don't see people playing in them.

These rockeries provide absolutely no definable outside territory that people can call their own. I happen to believe with Robert Ardrey that we are territorial to a large degree. I think that maintenance of buildings -- which is a problem to so many people in this room -- depends greatly upon the identification of the resident with his own turf. When you have alien turf which in no way is delineated as yours, no one cares about it; nobody watches it; nobody takes care of it; it is covered with litter; it is dangerous; it is no-man's area.

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\* Sec. 236 rental housing for lower-income families.

\*\*Sec. 221(d)(3) rental housing for low-and moderate-income families.

And yet how simply it could have been done this way. Here's another 236. Notice how you get an individualization of units, how very simple it was just to use those exterior fire ladders. We did a survey of the people in that last building. Those who lived up on the third floor were afraid of fire in those wooden structures. You see the way that could have been taken care of.

Here's a public housing project. Very imaginative. This was built as temporary wartime housing. It's still going strong. It is beautifully maintained. One of the reasons, I think, is that the open space is truly open and useable. People can not only cut across it in well-defined community paths, but their own backyards are very clearly defined by very, very simple details and decorations of the building. Notice the different color codes to give individuality to the different buildings; the use of balconies; the use of little canopies over the doors. Everyone can define his own turf there. In that particular project almost 90 percent of the people do their own exterior yard maintenance, other than cutting the grass. They do their own gardening. There just isn't any litter around this particular place.

Another housing problem is that of impaction. While the next slide shows a project which is overcrowded and poorly designed, impaction probably would have doomed this particular project to failure even if its design were superlative. It's two years old; currently at 40 percent occupancy; it has a \$5 million mortgage. It's a 236 with 20 percent rent supplement. The owners are \$650,000 in arrears on their mortgage payments, principal and interest; they have recently done a survey indicating it will require three-quarters of a million dollars in repairs and alterations in order to make this a manageable project. This particular 236 was set right on the edge of 1,100 units of public housing. Here we face the problem of impaction. People and neighborhoods have the right to be free from impaction in their housing. It is impossible to have stable neighborhood businesses, to have a stable tax base, unless you have a mix of incomes. To burden specific localities of cities with all of the subsidized housing simply continues the inbreeding of problems in which many of us have participated, for which many of us are guilty.

Beyond all of these problems of environment, of design, of location, of accessibility to jobs -- all of which are clearly housing needs -- we have special housing problems which every area has and every area must be able to delineate, quantify, and then try to solve. These are the special problems which are imposed upon specific populations. All of you can identify those populations. Each city has its own specific ones.

The handicapped most certainly are such a population. The design of units for the handicapped requires different layouts, different kinds of hardware, ramps, grab bars, all kinds of things which make those units suitable to them. Simply because you may have a surplus of units in an area does not, I repeat again and again, mean that you have your housing problem licked. You have to have the specific kinds of units that specific families and individuals need and can afford.

What about the problem of discrimination? That hasn't gone away simply because we have all those nice statutes on our books, from California's Fair Housing Act to federal legislation. And we have Jones vs Mayer and a lot of other good court decisions. Those are not self-enforcing and self-policing. They require constant attention. Discrimination today has simply assumed another face; it is far more sophisticated, far more subtle, far more difficult to detect, but it hasn't gone away. This, in effect, removes significant numbers of the population of most central cities from access to the housing market. It can be, and should be, looked on not only as a social problem but an economic and fiscal problem.

Some communities, especially counties, have rural housing problems. It is a fact -- and those of us who consider ourselves to be children of the city and urbanologists, usually don't recognize that it's a fact -- that 2 out of every 3 substandard houses in the United States are classified as rural. Despite that fact, you could concentrate all of the housing subsidy money we've spent in the last 15 years just in New York and you wouldn't even have solved New York City's problems. We have very, very severe rural problems.

What about Indians? This slide is a standard shot taken on an Indian reservation in the Northwest. Indians have tremendous problems -- problems of land tenure in that most of their land is held in trust by the BIA\*; it is almost impossible to crack that land out in such a legal form that you can mortgage a structure on it. It is very hard even to get FHA to go along, because obviously that structure has relevance and meaning solely to just one Indian family, and should there be a default, there is no way in the world that HUD -- or Farmers Home -- feels that they could sell it to anyone else. So they have been extremely reluctant to become involved on Indian reservations. If anyone wants to make a career of frustration, one should try to become an expert in Indian housing. It is the surest way to an ulcer that I know.

And finally, one of the largest sectors of our population is our elderly. What do we do with the elderly when we do anything for them? Well, we generally lock them in towers. We put them in high rise towers by themselves.

What I've been trying to say is that the problems are so interlocking, so intense, so intertwined, as Bobby Kennedy said in an address shortly before he was killed, that the urban infrastructure has to be looked at as a seamless web. You cannot fool around with one strand of the web without affecting the entire fabric. Housing needs, therefore, are not simple. The one thing that we must never do is to equate numbers of people with housing needs, with numbers of structures. We have to look at the kinds of structures; we have to look at their location; we have to look at the supporting services; we have to look at the entire social welfare infrastructure; and once again, to repeat what I feel is the most cogent message of our previous speaker, we have to stop what we have been letting others do by default.

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\* Bureau of Indian Affairs.



That is the challenge. Many of us in this room including myself, have had occasions when we should have been less than proud of ourselves because we contributed in some capacity -- either as a bureaucrat or a consultant, or simply as a passive citizen -- to some of the bad housing solutions that I showed you on the screen. I don't think we have to apologize, but I think we have to stop doing what we were doing -- or what we weren't doing -- and start thinking about adopting new systems such as land use legislation so that we can begin to control our own destinies.

In the course of these remarks, we have moved from an analysis of the various components of housing need to an examination of specific housing which was constructed to meet some of these needs. The lesson I would leave with you is not that the most immediate federal housing programs have been dismal failures by their very design and administration, but that analysis and identification of problems must lead to continuing pragmatic attempts by people of conscience to solve these problems.

Nothing in our experience tells us that public intervention is doomed to failure. Indeed, we should understand that our failures provide the necessary experience upon which the next generation of programs must inevitably be built. The lesson is not that we concede our inability to solve housing problems, but that we heed our mistakes and move ahead with the understanding; that housing need is a complex matrix of human needs which cannot be reduced to a simple equation that seeks to match exactly numbers of units with numbers of families.

## SMALL-GROUP DISCUSSIONS

### WHAT ISSUES ARE INVOLVED IN COMMUNITY DEVELOPMENT?

A broad range of subjects was covered in the ten small groups which discussed this topic in concurrent meetings. In each case the proceedings tended to reflect the backgrounds and special interests of the participants. This summary attempts to highlight the substance of those discussions.

One group started out by trying to define "community development" and decided that they couldn't. Instead they identified three issues under this heading:

1. Because there is no standard definition of community development, it is difficult for a city to understand what is to be expected or what the requirements will be under the new community development legislation;
2. There is general lack of expertise regarding the use of federal funds for community development; and
3. There will be competition for control over community development efforts: citizens vs. government.

Other groups attempted to define community development:

- A combination of a number of city departments,
- Formation of an "umbrella" administrative unit,
- "It can do anything that Model Cities do",
- It is primarily oriented to the physical rejuvenation of the city,
- It is comprised of: planning, code compliance, development, renewal and rehabilitation.

Some of the groups concluded that housing required a regional approach to meeting housing needs because of resistance -- at least in some localities -- to low- and moderate-income housing; this could be resolved by fair share regional housing allocation policies.

It was agreed that new formulas for providing housing (e.g. cooperatives, cluster development) should be explored. Key problems identified were:

- Funding for additional staff,
- An adequate data bank on housing.

A plea was made for allowing more flexibility in living arrangements and conditions because codes and ordinances tend to prevent low-income groups from obtaining standard housing.

It was proposed that ABAG:

- Educate local people on the subject of alternative solutions to housing supply;
- Spread technical information related to housing supply and give examples from other countries;
- Establish a program that will promote understanding at the local level of problems associated with regional housing issues;
- On the basis of a regional perspective, develop "local will" towards accepting and supporting low- and moderate-income housing.

One group offered a word of caution against raising false expectations among poorer citizens with respect to community development. The absence of housing money in the Better Communities bill was strongly criticized because the provision of housing was viewed as a major community development need. Discussion of housing allowances as a viable alternative raised questions about potential inflationary effects and the difficulty of enforcing fair housing practices.

Much discussion focused on citizen participation in the community development process. One group discussed the pro's and con's of a variety of mechanisms used to obtain citizen input:

- Mayoral appointees, primarily representatives of existing community groups (San Francisco),
- Representatives from existing community groups and City Council appointees (Pittsburg),
- Door-to-door canvassing to solicit participation of previously uninvolved people (Hayward),
- Ballot measure seeking indication of local priorities, to be used by the City Council as a basis for action (Napa).

A number of points were raised:

- The availability of revenue sharing money has stimulated community groups in higher-income urban areas;
- Lower-income people have not had as much experience as middle-income groups in making demands on city officials;
- Politicization of the community is required for effective citizen participation;



- Availability of funding is key to effectuating any community development schemes; the notion has to be conveyed to citizens that, rather than fighting city hall, they should be going after the federal administration;
- Citizen pressure should be put on state officials and legislators just as it is on the local level;
- Staff input has an overwhelming influence on the nature of policies relating to citizen participation;
- Effective citizen participation requires staff assistance at the community action level;
- Citizens' groups tend to react to staff decisions rather than participating positively in policy formulation.

It was recognized that under any of the various bills before Congress there are inadequate assurances that existing citizen participation structures will play an important role. This problem was cited as an important area for much more vigorous lobbying. It was suggested that ABAG could serve to focus these efforts. It was acknowledged that community development is going to be highly political and competitive at the local level and that citizen groups must begin to learn how to relate to the local government structure - the key being the city manager's office. It was felt that ABAG could help here also.

A number of the groups considered the problems of phasing out categorical programs and preparing for new funding procedures; for example, reclassifying model city employees to corresponding city positions; expanding a county housing authority across geographic lines, with an advisory orientation, possibly also filling a property management function.

Participants noted that mechanisms useful to small cities may be impractical in larger ones. It was suggested that although multipurpose city agencies make cogent political sense, they can create unmanageable administrative problems; moreover, another problem is the limited funds which most cities can devote to the design and staffing of a multipurpose agency or office.

One participant questioned whether resources would be provided for doing adequate planning and administering under the new system and protested that it would be unfair to tell local governments to undertake community development without first preparing them or providing the capacity to do the job.

Some people mentioned the need to amalgamate the many conflicting federal and state districts in order to facilitate community development spending.

ABAG's role in preserving the regional interest, in mandating certain local policies or plan elements before approving projects submitted through A-95 Review, was seen as a politically complex issue. Regional funding and development criteria received more support than the suggestion of strong national criteria.

The essential action of one group was to formulate a resolution, later adopted by the full Conference in general session, asking the ABAG-NAHRO Conference Planning Committee to develop a strategy for the support of community development legislation to meet national goals, especially in housing, and then to forward the strategy to key officials and the National Association of Regional Councils. (This resolution appears on page 81.)

LUNCHEON SESSION

THE NEW FEDERALISM: LOCAL PERFORMANCE VS. FEDERAL PROMISE

The Honorable Norman Y. Mineta  
Mayor, City of San Jose

In a speech on August 8, 1969, President Richard Nixon first launched his campaign for the so-called "New Federalism," which is the topic of our conference today and tomorrow. The philosophy of the Administration's New Federalism was further outlined in the President's 1971 State of the Union Message, at which the time President said:

Most Americans today are simply fed up with government at all levels. They will not -- and they should not -- continue to tolerate the gap between promise and performance in government. The fact is that we have made the federal government so strong it grows muscle-bound and the states and localities so weak they approach impotence. . . I reject the patronizing idea that government in Washington, D. C., is inevitably more wise, more honest and more efficient than government at the local or state level.

Subsequent to the 1971 message -- which concluded with the President's telling Congress it could be remembered for "opening the way to a New American Revolution -- a peaceful revolution in which power was turned back to the people -- in which government at all levels was refreshed and renewed, and made truly responsive" -- we have heard countless speeches by a changing cast of Administration officials and analyzed a myriad of proposals to bring about this "Peaceful Revolution."

It is now the fall of 1973 -- more than four years since the President introduced the New Federalism -- and there is little to show for all the federal government's rhetoric beyond the enactment of General Revenue Sharing one year ago and the recent limited restructuring of the federal Law Enforcement Assistance Program which was originally enacted as a block grant under President Johnson.

With regard to what has not happened at the federal level:

- A proposal for the consolidation of the federal highway and mass transit programs was not reintroduced by the Administration in 1972;
- The Administration has totally abandoned its own family assistance plan, with the President refusing to support any Congressional efforts to overhaul the Nation's welfare system;
- The President's bills for education special revenue sharing have been forcefully rejected by the House and Senate;



- Plans for rural community development have been scrapped by the Administration;
- Administrative implementation of manpower special revenue sharing has been "in process" for more than a year; and
- The community development bill, which is of primary concern to us today, is no closer to implementation today than it was two years ago.

This grant consolidation legislation which is once again before Congress will give city officials the opportunity to set their own priorities where they have been constrained in the past by the existence of single-purpose categorical assistance programs.

Under the community development block grant concept, the federal government will be giving a city a block of money which can be used for a variety of activities at the city's option. In other words, the city will control how a lump sum of federal dollars is to be spent -- determining at the local level what the proper mix of city efforts should be between such community development activities as building parks and developing open space; building community facilities; providing loans and grants to individuals for housing and building rehabilitation; urban renewal; and water and sewer facility construction.

Although the community development block grant covers only one area of our concerns as mayors and managers, it does represent a major step in the right direction -- in the process of returning the responsibility to make decisions to the cities. It is my opinion that the block grant concept will be the trend for federal aid to urban areas in the future.

However, it is going to require a substantial amount of work and a strong commitment on our part as local government officials to ensure that the block grant concept of flexible funding is implemented in the area of community development. For, at this point in time, the community development block grant is little more than an idea. Moreover, because of the Administration's current inflexibility and a potential Congressional impasse, it is questionable whether a program to consolidate the various separate community development categorical programs into a single, flexible block grant can be implemented in the next two years without strong and immediate pressure from the cities.

That we strongly back enactment of a community development block grant bill is both desirable and crucial. It is desirable from the point of view of flexibility and returning responsibility to local government. More importantly, though, it would give the cities some assurance of continued federal funding for community development activities. Given the current climate of federal budgetary cutbacks and OMB\* impoundments of domestic categorical assistance programs, the possibility of gaining assured formula funding under a community development block grant cannot and must not be passed up.

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\* Office of Management and Budget.

That enactment of this legislation is important is obvious. It is something with which every mayor and manager should and must become familiar because the community development block grant bill will affect the very essence of the way in which your city does business with HUD\*. It will affect the shape of your city's community development plans; and most importantly of all, the community development block grant represents a significant opportunity for cities, in fact, to gain a greater degree of control over the destiny of their own communities.

However, what we must recognize as mayors and managers is that, in addition to increasing our flexibility and control, the community development block grant will greatly increase our responsibilities. Decisions which in the past have been dictated by extensive federal regulations and guidelines -- the red tape associated with each of the categorical assistance programs -- will, under the grant consolidation program, be turned over to city governments. Thus, under flexible federal funding, it is the city that will write the guidelines, develop the procedures, establish the criteria for priorities, and in general do all those things that were formerly done in Washington, or the Regional Offices.

Therefore, if we want the flexibility and control that a block grant system allows at the local level, we are going to have to demonstrate that the cities are both able and inclined to assume these new responsibilities. In order to do this, we must begin to identify and deal with the problems presented by this shift from federal to local priority setting and decision making, and develop a level of management sophistication and expertise heretofore uncommon in most cities.

Now, I would like to outline for you:

1. What I see as some of the major problems associated with transition at the local level from the existing HUD categorical assistance system to the community development block grant, and
2. How we are trying to deal with these problems in the City of San Jose.

The first problem concerns the administrative organization of cities. To a large degree, our current fragmented organization at the local level has resulted from the existence of fragmented, single-purpose federal categorical assistance programs. Specifically, when the federal urban renewal program was enacted, local redevelopment agencies were created; local housing authorities were formed to implement the federally funded public housing program; and when HUD funded model cities programs, localities created CDA's\*\*.

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\* Department of Housing and Urban Development.

\*\* City Demonstration Agencies.

In addition, within the framework of general purpose local government, individual city departments have been operating various HUD categorical programs: Public Works dealing with water and sewer grants; Parks and Recreation Departments handling open space and neighborhood facility grants; and City Building Inspection Departments working with federally assisted code enforcement programs.

Under the community development block grant, funding will no longer come in the form of "separate checks" to meet each agency's individual program needs. Nor will it go directly to a specific special purpose administrative organization. Rather, it will come as a block of funds for community development activities to be allocated by the general purpose local government. This latter point is especially important since past categorical funds went directly to independent agencies such as LPA's\*, bypassing the general purpose government. In order to maximize the flexibility of the block grant and coordinate local community development efforts, it is crucial that we mayors and managers look for the best and most flexible way to administer community development dollars as one program.

In an effort to develop such an organization in anticipation of community development block grants, San Jose has reorganized its City Administration along broad, functional lines for the more effective and efficient delivery of public services.

Our approach -- which differs from that taken in other localities -- is basically a response to the recognition that community development is an overall function of the City and as such, cannot be assigned to one department or staff unit in the Manager's Office. This has been reflected in our new organization by:

1. The creation of a staff unit for Budget and Evaluation at the Deputy City Manager level to program all federal funds as part of our program budget process, to maintain the grant management and grant review process developed in San Jose with HUD Planned Variation funding and to conduct evaluation of all City programs;
2. The establishment of a staff unit for Project Management charged with coordination of the operational units of City government involved in the administration of physical development programs and development of our Capital Improvement Program and Budget;
3. The creation of an Economic Development staff at the Deputy City Manager level to conduct the usual economic development functions, as well as redevelopment of San Jose's core area, upon City absorption of the Redevelopment Agency; and
4. The consolidation of all City code enforcement activities, relocation functions, and 3 Model City housing projects into a Property Management and Code Enforcement Department which will also administer the Section 23 Leased Public Housing Program once the Housing Authority merges with the City.

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\* Local Public (redevelopment) Agencies.



However, a change in administrative organization will not necessarily enable a city to plan and implement community development activities under the block grant system. Reorganization is not necessarily the whole answer. Actually, we could reorganize forever without helping our problem solving abilities and our abilities to plan better. This is another problem we must face since under the grant consolidation legislation, cities will be required to submit a total community development plan. The development of such a plan by its very nature will involve most departments of the city government -- including the obvious ones such as Parks and Recreation and Public Works as well as the less obvious, such as Budget and Finance.

Furthermore, it will be necessary to view individual projects within the context of the city-wide needs, priorities and strategies. I should not have to point out that this last concept is a great departure from our past way of doing business -- approving projects on a one-by-one basis without regard to how they all fit together.

In the past two years, San Jose has gained some experience in this type of strategic programming through our Annual Arrangement with HUD. The City recently concluded negotiations for its second Arrangement with the Department of Housing and Urban Development.

In the Arrangement process, San Jose identified its long- and short-range objectives, developed a strategy for meeting those objectives and then planned programs on a priority basis for implementing that strategy.

Staff from virtually all City departments and agencies, private citizens and other community representatives worked together as a task force to identify City needs and objectives, to develop a strategy and set of priorities and to package the various requests for HUD categorical assistance into a total community development program for San Jose.

Thus far, I have dealt only with the need for a flexible and responsive administrative organization and for strategic planning and programming for community development funds. As mayors and managers, however, we cannot limit our concerns to just this single area.

Given the fact that the City of San Jose is presently receiving a total of \$57 million in grants-in-aid from eight federal departments and various state agencies and has requests for some \$3.3 million pending funding approval, the activities that will be consolidated under the community development block grant represent only a portion of federal and state government resources coming into San Jose.

Clearly, the effective management and programming of federal and state resources represent only a fraction of our total resource allocation picture. The Operating Budget for the City of San Jose is presently running over \$65 million a year and the Capital Improvement Budget is \$37 million. This represents the majority of resources available to the City for allocation.

If cities are to accomplish what is intended in the way of strategic allocation of resources on a priority basis, they must develop a process or mechanism for the allocation of all resources, regardless of source. This is the third problem we must face and its solution will require cities to view federal and state funds as an integral part of their resource allocation process rather than a separate allocation system. One set of priorities for the use of federal and state funds and another for the use of local funds will not suffice.

In San Jose, we are presently attempting to develop this type of resource allocation process for all City resources. We are attempting to integrate City physical development activities through packaging of the Annual Arrangement projects as an integral part of the City's Capital Improvement Program and through use of the Annual Arrangement process in developing the Capital Improvement Program. As far as non-physical development projects operated by San Jose, we have adopted a program budgeting process and embarked on a Community Planning and Management Program to identify neighborhood needs and improve our system of allocating all City resources -- federal and local -- against defined priority objectives directly related to community needs. A similar process was used by San Jose this past year for the allocation of General Revenue Sharing funds.

What I have been talking about thus far, only relates to projects administered by the City. Within the framework of strategically allocating limited resources given flexible federal funding, however, we must also consider federal, state and other local government resources which impact our cities even though they are not administered by the city governments.

In San Jose, we have been given the opportunity to do so through the Planned Variations program which provided the City with staff capacity for implementation of the A-95 Review process. With this staff, the City of San Jose can develop a position on project applications by non-City agencies which would impact San Jose.

Furthermore, through A-95 we -- at the City level -- are able to keep track of most of the resources available for service delivery to citizens of San Jose and to better plan and coordinate City-administered services and programs against this larger and more accurate picture of current resources.

The activities which I have outlined -- flexible organization around community development objectives; strategic planning and programming of community development block grant funds; the same type of planning and programming for all resources available to the City, regardless of source; and the consideration of projects impacting San Jose administered by other governmental jurisdictions in the above -- are of questionable value unless we recognize the need to develop a better mechanism to get citizen input, for in the final analysis, the substance of our efforts to mesh the existing service delivery systems with each other and to coordinate their impact on problem areas will only be effective if such actions are responsive to the needs of our urban citizens.

Our present system often does not provide for or encourage full and active involvement of citizens in our allocation of resources and general decision making. In an effort to improve citizen participation in San Jose, the City Council last year began to hold Council neighborhood meetings once a month in the different planning areas of the City to discuss concerns, issues, problems, opportunities and suggestions, and each Councilman was assigned to one of the six Council-Liaison Districts which encompass the entire city. In addition, and most importantly, the City is presently considering the establishment of Neighborhood Advisory Councils throughout the city. These councils would be composed of citizens selected by the residents of each area and would serve as advisors to the City Council on the allocation of resources and other matters of neighborhood concern. The basic concept behind this proposal is to build citizen capacity to do the kinds of analysis, planning and programming that are necessary for true citizen involvement and participation in the decision making and governing processes that control the delivery of services and provision of facilities which ultimately determine the quality of neighborhood life. Furthermore, this type of citizen involvement would provide the City Council with a broader base of information and a clearer perception of the City's needs and priorities as viewed by its residents.

I hope that San Jose's Experiences -- which I have outlined today -- will prove useful to you as you deal with the block grant. I have presented them here not as a prescription of how your city should organize or deal with the block grant but rather as an illustration of what one city -- San Jose -- is attempting to do in the areas of organization, community development planning and programming, and total resource allocation and citizen involvement. Through such sharing of our individual experiences, we will all be able to do the job better.

However, as I stated earlier, the federal response to our local efforts has been virtually nonexistent. What we have seen is that the Administration is not prepared to deal forthrightly with either the transition or implementation of its "Peaceful Revolution". Because of the Administration's current inflexibility and a potential Congressional impasse, it is questionable whether any community development block grant program can be implemented by HUD in the next two years, unless cities actively lobby for this legislation. Furthermore, the Administration has refused to release funds for urban renewal or any of the separate community development assistance programs in the Fiscal Year 1974 and has responded to our critical need for housing funds with promises for 18 more months of study.

As a result, we are unable to negotiate another Annual Arrangement with HUD, but, even if we could put our community development projects together, it is questionable whether or not federal assistance for low- and moderate-income housing will be available.

The result of all this is that San Jose and cities throughout the country are currently prepared to accept and manage the transfer of responsibilities from the federal government called for by the New Federalism. However,



we find ourselves once again in the middle of a battle between the Congress and the Administration. We have the staff, the structure and the mechanisms to implement the concepts of the New Federalism now. It is the programs and funding that are lacking.

We have been preparing ourselves for more than three years, but I do not know how much longer we can wait for the Congress and the President to agree. I do know that back in San Jose, as well as in Oakland, San Francisco and the other communities you represent, there are qualified and experienced men and women currently working for city government who are now seeking other employment due to the uncertain future of either block grant or categorical assistance funding from the federal government. This is not a potential problem but a real problem -- one that exists now.

If there is not some meaningful and rapid movement at the federal level -- action to move the New Federalism beyond the stage of rhetoric -- the capacity we have worked so hard to develop locally will disappear because of indecision at the federal level. To once again borrow the phrasing the President used when he outlined the New Federalism in 1971, the American People will once again have to "tolerate the gap between promise and performance in government" -- and once again the federal government will be to blame for failing to implement the so-called New Federalism which was aimed at making all levels of government truly responsive to the people.

## SMALL-GROUP DISCUSSIONS

### LAND-BANKING AS A COMMUNITY DEVELOPMENT TECHNIQUE

The group discussed the concept of a publicly affiliated organization's acquiring selected parcels of land as a tool for managing growth in an orderly fashion. One rationale for land-banking is the protection of ecologically fragile areas. The energy crisis and the recognition of land as a scarce and finite resource add weight to this point of view.

Land-banking was also suggested as a device for the renewal of blighted inner city areas, but it was recognized that there would be operational difficulties involved. One possible by-product of such land-banking would be a high-rise municipal or state park in the middle of a downtown area.

Questions were raised as to:

- Whether land-banking could be used to exclude minorities from a given community,
- What mechanisms would insure that a land-banking agency would be accountable to the public (a nonprofit corporation with bonded administrators would be one solution).

Land-banking has proved a viable procedure in Stockholm, Sweden, and in Canada.

A bibliography on land-banking developed by the Santa Clara County Planning Department was distributed to participants in this group.

### TAX INCREMENT FINANCING

It was stressed that redevelopment agencies have three powers which other public bodies lack:

- Eminent domain,
- Capacity to float bonds with no vote of the electorate, and
- Use of tax increment financing.

Under tax increment financing a redevelopment project area is designated (within definite boundaries); as it is redeveloped, the tax return increases; the increase over the base year's return accrues to the redevelopment agency to pay off the debt incurred as a result of the project.

A number of key considerations were cited:

- The device must not be abused -- it must eliminate blight;
- Much front-end money must flow early;
- Draw the project boundary lines according to financial -- not planning -- considerations; include land most likely to increase in value;
- Perform trade-offs: do two projects, perhaps one commercial, one residential, so that the great increase in tax return from the commercial project can flow into the residential;
- No time limits are imposed;
- Development can take place outside the project boundary, but it must benefit the project area;
- An educational process is required for local city and school administrators to make sure that they understand the concept;
- If this device is abused, the State Legislature will remove the power to utilize it.

#### FACILITATING HOUSING REHABILITATION

San Francisco has had a very low default and foreclosure rate on Sec. 312 loans in its Federally Assisted Code Enforcement (FACE) projects. The Rehabilitation Assistance Program (RAP) will replace the diminished Sec. 312 program with below-market interest rate loans from funds borrowed at the City's low rate; the plan is attractive to banks because the interest paid by the city is tax exempt. In November, 1973, the RAP program was still in the process of completing legal requirements.

The City of Oakland has not been inclined to provide a replacement for the Sec. 312 loan program, but is considering tax increment financing for housing rehabilitation.

The Inner Mission District of San Francisco is a well integrated, balanced neighborhood in the Model Cities Area. The housing is basically sound and rehabilitation costs relatively low (\$5,000 or less per unit). An atmosphere of rejuvenation has been produced by a FACE-type program administered by the Mission Neighborhood Housing Development Corporation. Grants are available from Model Cities funds for low-income homeowners and loans, from Crocker National Bank and the Savings and Loan Mortgage Company (SAMCO). Relocation payments are used in conjunction with rehabilitation loans and grants to purchase and upgrade multifamily housing as condominiums.

Rehabilitation can also be facilitated by the organization of housing co-operatives.



City pension funds are a likely new source of funds for rehabilitation financing; they are well suited to this type of investment.

One problem is that housing rehabilitation programs have not been able to reach residents with incomes at the lower end of the range.

This discussion group developed two resolutions which were later adopted by the full Conference in general session. They dealt with ABAG and NAHRO support of:

- State legislation to provide tax relief for owners who improve their residential property, and
- Exclusion of Fiscal Years 1973 and 1974 (when the housing moratorium was in effect) from the hold-harmless formula for federal community development revenue sharing.

(These resolutions appear on pages 81 and 82.)

#### USING REVENUE SHARING FUNDS TO GUIDE COMMUNITY DEVELOPMENT

One of the panelists explained that some community development revenue sharing bills are very radical proposals:

- The federal government does not take responsibility for the detailed use of the funds;
- It is not related to any specific national goals, priorities or needs (at a minimum, it should be tied to housing goals and constraints against discrimination);
- It leaves prevention of housing discrimination to local governments; and
- Under some proposals, it eliminates ABAG's A-95 Review function.

Santa Clara County's use of General Revenue Sharing funds was initially conservative and for nonrecurring expenses, but now they are beginning to cover current operations and many popular programs.

Fear was expressed that under the Better Communities Act rich and influential neighborhoods would get money for open space at the expense of poor neighborhoods which would not get needed housing.

It was the consensus that each community must do its own negotiating as to what individual neighborhoods receive and that communities should begin now to discuss and establish their priorities -- well in advance of funding, regardless of what form it takes. It was suggested that ABAG should serve as a clearinghouse on what is going on in community development planning in other cities.

## MAKING HOUSING PROGRAMS FINANCIALLY SELF-SUSTAINING MUNICIPAL ENTERPRISES

It was the consensus of the group that new tools are required to solve the housing problems of lower-income people, but subsidies seemed the essential need. Among the suggestions:

- Counseling and intervention to remedy bad credit helps individuals make their loan needs bankable. Then a local revolving loan fund can be established to free the city from dependence on federal funding; the money can be re-loaned as the earlier loans are repaid. However, grants will still be needed in some cases.
- Housing as a tax shelter investment may help.
- If a city developed middle- and upper-income housing, this would yield income with which to support lower-income housing.
- A project needs to be profitable enough so that some of its residents can be subsidized with the proceeds, but the nonsubsidized residents will need an inducement to participate. This program could be developed at the state or municipal level.
- Tax increments from the redevelopment process could be used to finance housing;
- A housing authority could sell 5 percent tax exempt bonds; the tax-free feature would appeal to buyers.
- Cities can invest bank notes, trust funds, in housing if it is not an attractive investment.
- Subsidies could be avoided by lengthening the term of the housing loan.
- A housing development corporation can generate income from management fees to make it self-sustaining. This is more feasible in projects of 200 units or more.
- A regional organization with linkages to other functional agencies is needed so that special staff skills and other resources can be shared and there is less dependence on state and federal governments.

## THE IMPACT OF ENVIRONMENTAL CONCERNS ON COMMUNITY DEVELOPMENT

Two themes were dominant in this discussion:

- The interrelationship of evaluating environmental impact and comprehensive planning, and
- The impact of planning and environmental controls on property rights.

Under California law, the environment is defined primarily in terms of its physical elements. This was viewed as unfortunate. Almost any development, then, will have at least a short-term negative impact.

It was pointed out that leapfrogging development does not take utility services properly into account; there must be a development plan to relate growth and willingness to provide services. A resource person held that concern with the environment now shows that the planning process has not worked well because it was not comprehensive, it did not view impacts as a system.

A number of planning dilemmas were identified:

- How to consider the interests of the few people in a sparsely populated area in the course of long-range planning for development?
- Who decides between the interests of an existing community and proposed large-scale federal projects?
- How to mediate between environmental concerns and impacts on housing needs, the employment base and tax base?

Opinions were expressed that the Environmental Impact Report, which is supposed to enable the legislative body to weigh the benefits and problems of a proposed project, does not consider enough issues; at the same time, planning commissioners don't know how to use them. EIR's were criticized as all reading alike, being expensive and not useful in decision making.

One resource person felt that with the development of better criteria and a better understanding of relationships, the EIR will become more useful. Another held that the problems with EIR's stem from the poor quality of general plans; the general plan should provide a framework for evaluating the EIR. If the general plan were good, there might not be need for so many EIR's; one EIR for the general plan might prove sufficient.

It was pointed out that conflicting proposals for the use of an area cannot always be resolved by designating it as open space. The area must still respond to pressures. The goal should be development of good communities.

Developers were critical of:

- Too much governmental control and overlapping jurisdictions;
- Lack of public hearings on the Clean Air Bill;
- Unrealistically high federal standards (necessary technology to meet them is lacking);
- Halting of growth;



- Lack of time to meet air quality standards;
- Lack of objectivity in setting air and water quality standards; and
- Interference with the right of people to live where they choose.

The concern for property rights centered on questions of the extent to which property rights should be abridged, and through which governmental institutions this should be done. Court cases support the right of society to regulate how property is used. However, the question arises as to whether all value can be taken from land, as in the case of open space (most open space land has value for some use).

#### NEW STRATEGIES FOR INCLUDING LOW- AND MODERATE-INCOME HOUSING

Several issues were identified:

- How to initiate a balanced mix among housing for various income groups?
- Where to place low-income housing to meet needs and avoid impaction?
- How to initiate legislation to require inclusion of low- and moderate-income housing in new developments?
- How to stimulate developers to build for lower-income people?
- How to provide for the housing needs of low- and moderate-income people:
  - in a climate of "no growth"?
  - without federal subsidies for housing?

A number of suggestions were offered:

- Marin County requires that developers of planned unit developments (PUD's) include 15 percent in moderate-income units (low-income housing is unfeasible because of land prices).
- Density bonuses: permit higher densities in developments in return for including a certain number of low- and moderate-income units.
- Permit second units to be added to existing single-family units.
- Use of excess publicly-owned land.

- Land-banking.
- Sale of tax exempt revenue bonds.
- City sell bonds for housing and give the proceeds to the housing authority.

#### COMMUNITY DEVELOPMENT CORPORATIONS AND HOUSING CORPORATIONS

Three elements important to the success of community development corporations and housing corporations were identified by the resource people:

- Strong financial backing, front money;
- Ability to sustain the operation in the face of delays such as those caused by citizen opposition, legal battles, etc.;
- Political clout to obtain cooperation of city agencies.

Several items of advice were offered:

- Don't lose heart under present adversity; it takes years to develop a site; development money is not needed in the beginning; keep looking for sites.
- Include both low- and moderate-income housing in a neighborhood to create a "social bridge".
- It is important to get option money and a line of credit to keep the program going, e.g. \$200,000 operating money, \$180,000 line of credit:
  - A corporation can't take in enough to operate without being a limited dividend corporation.
  - It is impossible to operate on a revolving fund basis; it takes two or three years to develop a project, but it is funded for only one year.
- A community development corporation can build for commercial uses as well as housing; a housing corporation is permitted up to 10 percent of development in commercial.
- It is useful to build local support by stimulating and aiding the development of housing elements in general plans.
- Neighborhood meetings are an important vehicle for informing the public.

- When a community group wants to pursue objectives other than housing, this may impair its ability to get housing built. For example, they may wish to encourage a minority architect or developer but that person may not be strong enough to see the project through because of inexperience or weak financial backing.

#### ATTRACTING HIGHER-INCOME GROUPS INTO AREAS THEY FORMERLY AVOIDED

The group found that the title meant something different to each person present since each came from a very different setting with very different problems in housing. They felt that the problem could not be solved because there were too many other factors to be considered, such as employment opportunities, training programs, use of resources available, location of similar people who share the same values. There was consensus that the problem in society was discrimination and that the unemployment situation must be alleviated.

The group then discussed the following series of questions as a framework for solving the problem, although it was agreed that these questions would have to be applied to each individual situation.

1. Why was this area formerly avoided?
  - a. Was it a slum, rundown, dilapidated?
  - b. Was it surrounded by industry?
  - c. Was it unsafe (burglaries, muggings)?
  - d. Was it devoid of culture, museums, theaters, libraries?
  - e. Did it have an unreasonable tax base?
2. Why do we want these people back?
  - a. To pay taxes?
  - b. Other positive contributions?
3. Will integration take place or will displacement of lower-income people occur?
4. What other use can be made of the area?
  - a. Redevelopment?
  - b. Industrial or commercial?
  - c. Development for a specific group, e.g. the elderly?
  - d. Development for a cultural center?



5. What is the economic feasibility? What are the problems related to financing?
  - a. How big is the area?
  - b. Which alternative would add most to the continued development of the area?
  - c. Will it be financed publicly or privately?
6. How do you mobilize and gain public support for the project?

November 10, 1973

GENERAL SESSION

CONFERENCE REVIEW

The Honorable George Lowy  
Councilman, City of Pittsburg

Yesterday's conference indicated some concerns on the part of the conferees regarding the true purpose of the conference itself. Perhaps that question can be divided into three parts. First, what were the intentions of the Conference Planning Committee? Second, what are the lessons to be derived from the participants' exchange of problems and their solutions--if any? And the third part of the question really deals with "Where do we go from here?"

First, what were the intentions of the ABAG-NAHRO Conference Planning Committee? They say that the sign of a good politician is the ability to answer questions with straight-from-the-shoulder generalities.

At yesterday's luncheon session, Mayor Norman Mineta made reference to the President's 1971 State of the Union Message, at which time the President said:

Most Americans today are simply fed up with government at all levels. They will not - and they should not - continue to tolerate the gap between promise and performance in government. The fact is that we have made the federal government so strong it grows muscle-bound and the states and localities so weak they approach impotence . . . I reject the patronizing idea that government in Washington D.C., is inevitably more wise, more honest and more efficient than government at the local or state level.

Under categorical funding, local government has been in the position of shopping through a catalog of programs and choosing those which approximately met their needs or which were readily or easily available. We now face a new prospect of being given freedom to tailor community development programming to our local situations. Simply put, we can go to a shoe store and buy a pair of shoes which will -- by manufactured standards -- give us the best fit. Now we are being asked to accept the leather and design the shoes to fit our own feet. Will we have enough leather and enough skill to make a pair of shoes that really fit? Do we really understand the community development process well enough to evaluate the alternative proposals before the Congress or to allocate what resources we have, most effectively? It was with this in mind that your Committee designed these two days of deliberations.

Regardless of what policy makers and administrators do, communities will continue to evolve. The question is whether you want them to develop by design or by default. This conference was conceived to give a better understanding of the complexities of the community development process so that local officials could deal more effectively with these issues -- with or without special revenue sharing. Hopefully, yesterday's participants achieved some new insights on alternatives which might be used to meet their communities' needs.

The second question was, what are the lessons to be derived from the participants and their exchange of problems and their solutions? We reviewed the reporters' notes on the ten morning discussion groups on the topic "What Are the Issues in Community Development?" Our notes looked like the agenda for another conference on community development and revenue sharing!

The highlights seemed to cluster around five themes:

1. The problem of even achieving a commonly accepted definition of the term "community development."
2. The management, structuring and financing of local community development efforts:
  - Mechanisms of phasing out categorical programs and the comparative merits of retaining old single-purpose agencies or reorganizing into a multipurpose agency,
  - Local financing of housing programs.
3. The policy-making function:
  - Processes for community groups to participate in policy making,
  - The role of professional planners in community development policy making,
  - Prospects that revenue sharing will be diverted to benefit moderate- and higher-income groups at the expense of lower-income groups,
  - Need for more adequate housing data.
4. The many-faceted character of the community development process:
  - The role of codes and ordinances
    - Prohibitive requirements which preclude ability of low-income groups to obtain standard housing,



- The need to allow for more flexibility in living arrangements,
  - The dilemma: increase financial assistance or lower housing standards?
  - Issues in physical development
    - Downtown development,
    - The relation of physical development to transportation facilities,
    - The impact of concern of environmental effects of development.
  - The tax structure
    - The impact of methods of sales tax distribution to localities,
    - Assessment practices to encourage rehabilitation.
  - Strategies for conserving the housing stock while keeping housing costs within the means of the low- and moderate-income groups.
    - The future of rehabilitation programs.
  - Housing costs
    - Rising housing costs,
    - Alternatives to Sec. 236.
  - Social questions
    - Pros and cons of racially and/or economically mixed housing,
    - Flexibility in living arrangements.
5. Interjurisdictional issues
- Central city vs. suburban differences,
  - Is housing a local, subregional or regional issue?
  - Implications of LAFCO decisions on community development and the concept of areas of influence.

I have not tried to summarize the conclusions reached, but rather sought to reflect the complexity of the subject as approximately 150 of you spent an hour and a half in the morning session coming to grips with defining the issues.

It would not be fruitful for me to try this morning to condense yesterday afternoon's deliberations of nine groups, each on a different topic. The program supplement gives some indication of the wealth of experience which the participants tapped in their quest for solutions to special problems.

Finally, our third question was: Where do we go from here?

In the course of the morning and afternoon small-group discussions yesterday a number of suggestions were made for ABAG's consideration:

1. Should ABAG involve itself in the political arena by not only recommending legislation, but actively working to implement the passage of those bills that would benefit the communities? For example, to seek amendment of proposed procedures for funding of cities under 50,000 population?
2. Should ABAG develop a process for educating the local people on the subject of alternate solutions to the housing shortage -- for example, mobile homes, etc.?
3. Should ABAG disseminate technical information related to the housing supply, for example, give examples used in other countries such as Sweden?
4. Should ABAG establish programs that will promote understanding at the local level regarding problems associated with the recently-proposed regional housing goals?
5. Should ABAG develop "local will" towards accepting low- and moderate-income housing -- based on a regional perspective?
6. Should ABAG develop a mechanism to stimulate the desire of the local elected official to attend conferences?
7. Should ABAG assist small localities in administering housing block grants?
8. Should ABAG coordinate organizations with the region and establish linkages with other functional agencies to share special skills and staff or other resources so that there will be less dependence on state and federal agencies?
9. Should an umbrella agency such as ABAG centralize information on where to place low-or moderate-income housing?

## ADMINISTERING THE COMMUNITY DEVELOPMENT PROGRAM

### A Panel Discussion

#### Proposed Organization of the Richmond Community Development Organization Housing Department

Glenda Brady  
Chief, Community Services Division, Richmond Redevelopment Agency

#### Introduction

Housing services have been delivered to residents in Richmond by a number of different agencies; for example, the Home and Neighborhood Improvement Center (HNIC), Redevelopment Agency, Home Management Center of People Pledged for Community Progress, and the Housing Authority. A lack of coordination in the efforts of these groups however, has led to duplications and in some instances has fallen short in delivering services to the residents. Improving housing conditions is the objective of all these agencies. However, lack of coordination of both funds and personnel has impeded achievement of the objective.

The City of Richmond hired Urban Management Consultants (UMC) to make a study of how best to organize a Community Development Department utilizing the existing agencies. UMC's report recommended formation of a Housing Department consisting of all the divisions and agencies responsible for the delivery of housing services. The organization outlined here closely parallels recommendations in the UMC report with the exception of the public housing function which is not included in the proposed organization. The UMC report recommended bringing the Housing Authority into the Housing Department, under a single administrator. Due to the distinct differences between the tasks required to manage or maintain public housing, i.e., daily maintenance and eligibility certification, and the other services proposed for the Housing Department, we elected to have public housing operate separately. (A chart of the proposed organization follows.)

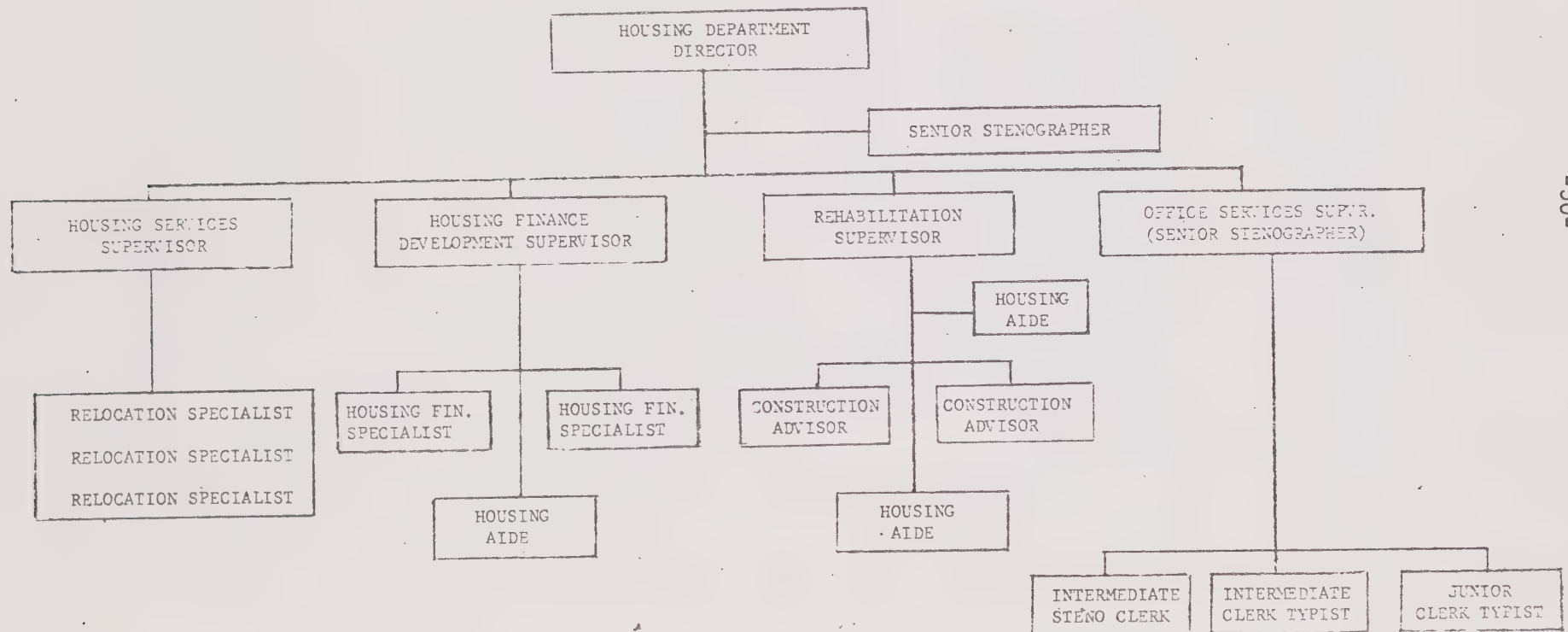
#### Organization Rationale

The Housing Department is being created by combining many disparate City housing and related functions. The compelling rationale for this action is twofold: expected improved delivery of services and improved efficiency of operations. Each is briefly discussed.

1. Improved Service Delivery. The proposed Housing Department organization combines the central relocation functions currently located in the Redevelopment Agency and the rehabilitation and housing development functions which include the local rehabilitation loans and grants program currently being developed by Model Cities. These functions are related and the execution of most housing actions requires a coordinated effort.



COMMUNITY DEVELOPMENT ORGANIZATION - HOUSING DEPARTMENT



As would be expected, the physical and organizational separation of these functions inevitably resulted in lack of coordination and less than desired levels of service. Grouping these related functions under a single director will facilitate a joint and more closely coordinated approach in the delivery of housing services. It is expected that this will allow Richmond residents to receive "one-stop housing services."

2. Increase Operating Efficiency. Under past and current housing operating procedures, substantial duplication of efforts occurs or is expected to take place in the Redevelopment Agency and Model Cities. This duplication occurs in rehabilitation taking place in both the Redevelopment Agency's Neighborhood Development Programs (NDP's) and the Home and Neighborhood Improvement Center's (HNIC's) projects. Additionally, new-home construction projects using relocation funds, which have been completed by Model Cities, are expected to be undertaken by the Redevelopment Agency in the NDP's. Consolidating these functions will allow a sharing of experiences and technical skills, thus saving the expense of both staffs separately climbing the learning curve in the field. As a result, the overall skill level and abilities of the Housing Department will be heightened. The combining of administrative and clerical staffs should also result in increased efficiencies as similar types of records and recording systems are combined. This pooling of administrative and clerical personnel will further allow technical staff time to be devoted to field functions such as building inspection and contractor direction.

### Functional Responsibilities

The Housing Department will be responsible for planning, rehabilitation, construction and management of all nonpublic subsidized housing as appropriate under enabling legislation. In addition, the Department will perform required relocation services and property management, provide home ownership information and management counseling and conduct client intakes and dispositions. The specific responsibilities of each division are as follows:

1. Housing Services Section. This section will perform all relocation tasks necessary in the City. It will also perform the function of client intake and disposition, interviewing persons seeking housing information and making appropriate referral. In addition, it will develop and maintain a housing counseling and information system, manage acquired properties and administer the Housing Improvement Incentive Program (HIIP).

2. Housing Finance and Development. This section will be responsible for planning, program development, coordination and technical assistance for the range of nonpublic housing programs in the City and ensuring that housing development is consistent with overall housing objectives. Functions included are developing and managing financial arrangements necessary for housing development, administering the rehabilitation

revolving fund as well as the contractor selection, and coordination and follow-up procedures. An additional function of this section, underlying the aforementioned tasks, is the coordination of citizens' participation in the project planning and selection process. The work of this section is necessarily closely coordinated with the relocation functions carried out by the Housing Services section.

3. Rehabilitation/Technical Services. The primary responsibility of this section is to carry out the field operations in connection with the existing HNIC programs. This staff will inspect houses for code and aesthetic deficiencies, prepare rehabilitation cost estimates, supervise rehabilitation work in progress and authorize payments for completed work. This section will also make FHA and VA presale inspections and supervise other programs such as the street right-of-way, paint grants, street-tree planting and emergency rehabilitation.

4. Office Services. The office services group will provide necessary clerical, secretarial and support services for the entire group.

It is currently envisioned that the proposed housing department will be physically located in one building. No increase or reduction in staff is anticipated, but the quality and quantity of services should increase significantly. Even now, before actual reorganization has taken place, coordination among the various groups during this planning stage has resulted in increased efficiency.

#### Technical Aspects of Code Enforcement in Community Development

Alfred J. Goldberg

Superintendent of Building Inspection, City and County of San Francisco

I appreciate the opportunity to present a code enforcement official's view on his role in an effective community development program. In my remarks, I will refer to our experience in San Francisco under previous programs and my thoughts on our role in community development under special revenue sharing or block grants. Using that as background, I will try to sketch out the role code enforcement may and should play in virtually all communities in achieving an effective community development program.

In order to assure a common understanding of the key terms of this presentation, some definitions are in order:

Code enforcement, as I will be using that term, involves Housing Code enforcement with the aim of retaining the maximum number of housing units, bringing them into code compliance to safe, sanitary status and legalizing units that may have been bootlegged or illegally converted without building permit, so long as these units can meet Housing Code standards.

The Housing Code is a code relating to existing residential structures, from single-family dwellings through to the largest multifamily apartment house or hotel. It sets levels of health and safety required

as the minimum for these buildings and is much less restrictive than new construction requirements as contained in the Building, Plumbing or Electrical Codes.

Code enforcement-rehabilitation in community development has an important role to play in the overall housing policy of a locality so that the major asset represented by the existing housing stock is not diminished or lost due to deterioration or abandonment and in order to thereby maximize the impact of new construction as a net gain in units rather than simply replacing the lost units.

In 1965, the Federal Housing Act recognized the importance of code enforcement-rehabilitation in two ways:

- (a) The Workable Program\* required that the locality have an ongoing effective Housing Code enforcement program, city-wide.
- (b) The Act provided, through grants and loans (Sections 115, 117 and 312), the means of implementing a loan program for concentrated Federally Assisted Code Enforcement (FACE) in designated areas of the locality.

In 1968, the President's Inaugural Address specifically indicated the need to retain our existing housing as a major element of our housing policy.

In 1972, the General Accounting Office of the Congress in a report on FACE indicated the need for, and effectiveness of, the code enforcement-rehabilitation program in an overall housing strategy.

In both a national and local context, the existing housing stock represents our greatest housing asset. An annual loss of 2 percent of that asset, on a national basis, would mean the loss of over 1 million dwelling units. With an annual rate of new residential construction of no more than 1.6 million units, that loss of existing units would wipe out 60 percent of the impact of the new construction in coping with our national needs. Conversely, the rehabilitation of 2 percent of our existing housing stock annually would reduce the number of substandard units by more than 1 million units and permit a net increase in our housing stock of 1.6 million units.

At the local level, using San Francisco as an example, with 350,000 dwelling units and an assumed annual rate of new construction of 5-6,000 dwelling units, a theoretical loss of 2 percent of our existing housing stock would mean a loss of 7,000 dwelling units and an annual net loss of 1-2,000 dwelling units. Similar analyses can be made for most communities.

To have an effective code enforcement-rehabilitation program in a locality requires, at the operational level, a knowledge of the codes involved and the philosophy of enforcement of these codes; expertise in building construction so as to assist the owner in complying with

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\* Workable Program for Community Development



the codes; an acute awareness of the wide variety of existing building types, dates of construction and the related constructions conventional to those times; the aim of bringing about compliance and retention of a maximum number of units; and, finally, a sound approach to honest communication with the community about the aims and purposes of the program and how it will be implemented.

In San Francisco, we have had two programs in effect simultaneously since 1967:

- (a) Systematic Housing Code Enforcement for all multifamily (3 or more units) buildings.
- (b) FACE program in 7 different areas.

The Systematic Housing Code Enforcement program involves 18,000 structures with 180,000 dwelling units. Our program consists of rating all buildings on a common basis of deficiencies and then taking each year the 1,000 "worst" buildings to bring them into complete Housing Code compliance. This is a city-wide program without any special emphasis on particular areas.

The FACE program involves a designated, clearly defined area of the city in which every structure is inspected and brought into code compliance during the program period (generally 3-4 years) in conjunction with the installation of needed public improvements.

We anticipate a new program called "Rehabilitation Assistance Program (RAP)" to replace FACE due to the cessation of funding by HUD of Section 117 (FACE) programs. RAP will be city-funded and loans will be made available from the City which, in turn, would borrow funds from private sources at tax-exempt interest rates. Such a program will provide a full-scale dress rehearsal for revenue sharing since all elements of RAP parallel those under special revenue sharing, including selection of areas, funding by local government of enforcement and administration and making financial assistance available, if desired, within the legal constraints of local and state law.

The record in San Francisco of 6 years in Systematic Housing Code Enforcement and 7 years in FACE clearly shows that there is widespread public acceptance of such programs, honestly administered and well defined and supported by the local government, the Mayor and Board of Supervisors.

Under community development, we will have to evaluate our local housing policy in the light of both national housing policy as set forth in the legislation and the particular needs of the local community and the assets in terms of personnel, expertise and willingness to meet those needs. The code enforcement official of the locality represents, generally, its major source of expertise in codes and construction. The adequacy of his staff and the additional staffing he will need to carry out an effective role will in large measure be evaluated by you, the local administration, based on his willingness to carry out his role

and the confidence you have in his doing so. That will vary from locality to locality; however, the attention given now, before community development revenue sharing comes about, will determine your ability to use code enforcement-rehabilitation in evolving a community development program of maximum effectiveness a year or two from now.

I have discussed this subject from time to time in the last 3 years with other building officials and before the International Conference of Building Officials, ICB0, the organization that publishes the Uniform Building Code you all use in your localities. I am all too well aware that a very large number of my fellow building officials, your building officials, are not aware of either the role they should or could play in the community development program or the philosophy of code enforcement needed so as to retain and rehabilitate our existing housing stock. All too often, they can only conceive of using new construction standards and accepting only legally constructed units rather than an approach that recognizes that existing buildings can be brought up to Housing Code levels of safety and sanitation while ignoring the question of whether the unit was legally or illegally installed originally. New construction standards should not be used except where additions are to be made to the structure or new work is contemplated. It will require, in some localities, that dialogue on this subject be established between the building official and the local government administration, utilizing the available papers on the subject, so as to evolve a program for the locality that is rational and productive, rather than destructive, of safe, sanitary housing.

In these instances the administration has the responsibility of defining the role of the code enforcement agency in community development. In all instances, the administration should fully evaluate the role code enforcement-rehabilitation can and should take in the community development program of the locality and should be prepared to fund that role fully and properly from the revenue sharing funds. To do so will bring into play in the community a proven major tool toward achieving the local and national goal of safe, sanitary housing for all.

#### Administering the Community Development Program

James R. King  
Executive Assistant, City Manager's Office, San Jose

Thank you very much for the opportunity to speak to you today. I want to bring to you a perspective that is somewhat different from, but not inconsistent with, that of the two previous speakers and perhaps others who will speak to you today.

First of all, to put my remarks in proper perspective, I want to indicate to you that I feel government at all levels has been an absolute failure in meeting the needs of urban constituents. I do not think that we can proceed to talk about the more detailed issues of administering a community development program without first recognizing there is a total

absence of commitment of all levels of government -- city, state and federal -- to meeting the needs that we are discussing here today.

This failure to meet the needs is a fairly recent phenomenon. I believe quite strongly that cities formerly -- whenever formerly was -- were meeting the needs of their constituents. They had a homogeneous constituency. They did not have much to do. They had a low budget. All they had to do was patch the streets and see that sewage got taken care of and do a few administrative things like that. They could have a part-time city government and get the job done.

That changed. The constituency changed. The needs changed. The cities were not responsive to that, for whatever reason. I am not sure whether they just were not aware of the change or whether there was a malfeasance in office. But whatever happened, we had a growing reliance on the federal government to meet the needs that the cities were not meeting. That precipitated the growth of the categorical programs up to any figure you want to choose -- six hundred, seven hundred, eight hundred. The fact is that the people who were interested in meeting the kind of things we define as community development needs began to look to the federal government.

The states were even more unresponsive to meeting these needs than the cities. So the federal government is where the advocates and lobbyists for these programs went. However, they didn't go together in a concerted effort -- they went separately as special interests. That's why we have a fragmented categorical grant system with very little interrelationship between programs.

There is no unified urban policy or urban objectives at the federal or state level. These grant programs were lobbied through, authorized and appropriated for, on the basis of the lobbying capacities of the individual program or functional area constituency that could get programs through. That gave us this wide range of categorical federal assistance that did in fact go to urban areas and went to help meet the needs of the urban constituency. With this growing responsiveness of the federal government, cities began to become aware again for whatever reason, that these needs were being addressed, but they were being responded to in a fragmented and very uncoordinated fashion.

The unifying objectives of General Revenue Sharing and the special revenue sharing bills that have been introduced by the Nixon Administration -- bills and approaches that were talked about in the Johnson Administration and the Kennedy Administration -- are beginning to be realized. With the acceptance of General Revenue Sharing by the Congress, there was an acceptance of a new approach, a formulized approach, an approach that was different from the competitive categorical grant system that most of us participated in for many years. With the beginning of this new system of government or new system of financing, of helping local government to meet urban needs, we have come full cycle to where city councils, and mayors and city managers are beginning to understand that they have a



new urban constituency that is not homogeneous but heterogeneous, and that being able to plan for a city requires a new kind of city planning process. Cities are just beginning to understand this. As this transition takes place, there will be a great deal of trauma within city government for those who are accustomed to the categorical system and for those who still are committed to the school of thought that believes the task of the city is simply to patch the streets and see that the garbage is collected.

Within the new framework of urban city government, there are many things that have to be done, but some are critical. We must begin to integrate the funding available to cities from federal sources and whatever there is from the state (there is not much to worry about there) and integrate those funds into the budgetary process of the city. We actually have two budgets in the city: one for hard money, one for soft money. Federal money is soft money. It is year-to-year money; you never know when a program is going to be cut off. We cannot afford to have two budget systems if we expect to meet city objectives in a unified way.

In San Jose, as we began to program General Revenue Sharing, we integrated these new funds into the on-going budget process of the city so that decisions could be made -- not on just one source of money, but on the total amount of resources available to the city to meet identified needs. It is very interesting how, in this transition, the clients of federal programs with questionable futures have failed to shift their attention. I was quite struck by the fact that when we had a public hearing on four million dollars worth of General Revenue Sharing money, over 500 people showed up to address the City Council regarding where they thought that money should go. Some weeks later when the City Council approved a one hundred and thirty million dollar City budget, one person spoke to the City Council. Now it seems to me that the constituents of programs funded by the federal government had better turn their attention to the fact that while they were beating each other over the head, not to mention the City Council, about the allocation of four million dollars, we approved one hundred and thirty million dollars two weeks later without any representation from these people at all. This seems a rather strange system of local lobbying.

With an integrated budget including city funds and federal funds, constituents of various interests will be able to impact on the total allocation of the resources available to the City and quit wasting time fighting over small categorical grants.

A second thing that must be done is to begin an interdisciplinary program development process. That is more than coordination. Coordination is what you do after you have done it wrong. Coordination is trying to make it look as though you did it right in the first place. An integrated planning process requires an entirely different approach on the part of the people who operate programs in the city. They must understand that from the constituents' point of view -- people who live in the city, in the homes, and drive on the streets -- they don't see programs, they see neighborhoods. They see areas, they see sections of the city, and they see what is going on. They see it as a package. We



don't program it as a package. We program it as your program and my program -- and if they fit together, that's neat. If they don't fit together, then we coordinate. That has to cease.

In San Jose, by having the benefit of going through two Annual Arrangements with HUD, we have realized substantial benefit from educating the people that run our programs to what an interdisciplinary planning process is. We have been able to make them see that there is a great deal of flexibility in how they operate their programs. For example, in our Annual Arrangement process our Public Works Department had their sewer and water grants program laid out. Their program in no way complemented the programs of the Redevelopment Agency and the Model Cities Program. But they hadn't seen that. You have to understand that the whole mind-set of the people that you are working with is not to think that way, but rather to think in terms of their own single purpose objectives.

We are now trying to plan a comprehensive community improvement program and we are using the same procedure we used in the Annual Arrangement process. We are encountering the same difficulties. Yesterday we had a discussion over the Parks program and the Transportation program. It was very difficult to make the Transportation people see that they did have flexibility in what they planned and that they could adjust their program to meet the objectives of the Parks program. They have never had to deal with that and now they do. I think, having the benefit of the Annual Arrangement process -- which some of you have had and some of you haven't -- is something that has to be done one way or another.

Thirdly, we have to begin to understand what an evaluation process is. We have to begin to know that we must evaluate programs because they are going to be judged on performance, not on who has the best lobbyist in Washington -- and we do have the best, so that doesn't bother me any way it goes. But we don't really understand evaluation. The state of the art of evaluation is very rudimentary at the moment. We've got to begin to get our department people, our people who operate these programs, to understand they have to outline some specific objectives or we'll never know whether those objectives have been met. This is something that is going to be difficult to do. It is going to be difficult to develop the process within the operating departments of the city. It has to be done.

Fourthly, we have to begin to understand that whether or not to have citizen participation is no longer a question. Citizen participation, to me, is not a moral question, but an administrative question of how to have it. Do we want it fragmented? Do we want it unstructured in such a way that we can't really get any kind of feeling of what the citizen is really saying? Or do we want to organize it? Do we want to deal with it as we deal with any administrative problem and try to get some system of citizen participation that gives us the information that we vitally need to program activities that will, in fact, meet the needs of our citizens by their definition -- not by our definition? For a long time, we've been in the business of allowing the professional technician to tell everybody what's good for them. I hear from citizens often -- all the time -- "Don't tell us what's good for us," but what

people don't seem to understand is that generally in the United States today, the people least informed about what's going on are elected officials and citizens. The most informed people are the program people who know their program, who've been doing their programs for years that way and don't understand why anybody would want to change. We've got to get down to some systematic way of closing that credibility gap because that's what it's all about. We are doing things that look good to us, make sense to us, but they don't make any sense to the people who pay us -- the taxpayers. Unless we can do that, we are not going to have a government that will meet the needs of the people; we're not going to be able to move forward in meeting the needs that we'd like to meet.

Success in achieving the above depends on in-house advocacy. I completely agree with the previous speaker who said that reorganization is not necessary. Reorganization is simply a tool. It may help you or it may not help you.

In a recent article in the Journal of Housing, I explained what we were doing in San Jose, but that may not meet your situation at all. Your situation may be entirely different. Reorganization should not be viewed as something that gets something accomplished, but rather something that facilitates getting accomplished what you've already decided you want to get accomplished. There is where in-house advocacy is of prime importance. I can assure you that unless you, the people who work in these systems, are prepared in-house -- within the bureaucracy, within the politics that go on there every day -- to strengthen your position, then the priorities of the cities will tend to remain what they've been and they will tend not to meet the needs of the people as defined by the people. Those of us who are committed to institutional change have a great obligation to strengthen our position in whatever way we can to help advise elected officials, who generally are very responsive to what we have to say, and people at the executive level like managers, who want the city to run better. We must help them in what is clearly a battle between narrow, categorical-program people on the one hand and generalists, citizens and elected officials on the other. Cities must adopt broad priorities, goals and objectives. We've got objectives in certain program areas, but we don't have city-wide objectives. In San Jose, which is considered to be somewhat sophisticated in this business, there are currently no stated and budget-related overall objectives for the city. How, then, do you bring to bear pressure on categorical-program people to meet the objectives of the city when the city has no objectives? I think that's where our role is; it is incumbent upon those of us like myself who have an opportunity to work close to the executive level to be pushing for this, and those of you who work in the categorical areas should be helping your people to move in the same direction. Thank you very much.

Administering the Community Development Program

Frank Lockfield  
Director, Santa Clara County Center for Urban Analysis

Thank you very much. I am very pleased to follow Jim King. He said many of the things that I had been observing and he said them far better than I probably could have. Part of the reason we have noted the same things is that the County has had a fairly close working relationship with San Jose, particularly in the area of the Annual Arrangement.

Under the circumstances, I would like to go back to the area-wide nature of the community development objectives, because that's where Jim really left off. Probably the knottiest part of trying to develop strategies is initially establishing some objectives toward which these strategies are going to be directed. In the Annual Arrangement process in San Jose, those objectives were effectively determined by an administrative group composed of people from the various City departments and some representation from the Model Cities establishment. Eventually the group was broadened to represent more and more community sectors, including the builders and the real estate board. County staff assigned to the Joint Housing Element Program participated throughout the process. The point I want to emphasize is that the objectives determined for a strategy for an Annual Arrangement were responsive primarily to what was developed internally. They were developed by those who "knew best" -- Model Cities have themselves together, builders knew what they wanted to do. The group, in fact, determined various programs and undertook or identified things within the categorical problems and programs. There was one critical point that the City was responding to: HUD's statement of concerns. HUD did identify several concerns that they wanted the City to address in their Annual Arrangement. We found that that was an extremely helpful device on which to focus responses. It served as a stimulus to the City to respond to something beyond this administrative and in-house group. I would personally hope that the block-grant approach will be done in such a manner that HUD will have an input to that process to assist a city in identifying areas that they feel should be responded to.

The benefits of an Annual Arrangement became very obvious to us. Through the interjurisdictional auspices of the Planning Policy Committee of Santa Clara County and the Inter-City Council, we began to raise the nature of an area-wide Annual Arrangement with HUD with the categorical programs. We started that process in April, 1972. A select committee of elected officials began meeting with staff support from San Jose, from the County and from HUD. They discussed fairly thoroughly what would be involved in an area-wide Annual Arrangement. We finally got general approval from the cities, the County and the Planning Policy Committee. On January 4, 1973, the matter went to the Inter-City Council with the recommendation to move along on this. The moratorium of January 5 effectively brought the whole political process to an end.

Staff efforts are continuing to look at the area-wide Annual Arrangement concept. Part of the problem that we are examining is to what extent



our area-wide problems should be addressed by each individual jurisdiction. Not only are there going to be competing priorities within a city, but there is going to be a greater competition among priorities within an area. In Santa Clara County, for example, open space programs would count very heavily in many parts of our county, and housing would have a very low priority. Those priorities might be reversed in other communities, but how do you reconcile the priorities of individual communities with the priorities that might be established within a subregion? We felt that it was imperative to begin a process that would proceed along those lines.

There's another dimension to that also. Some area-wide concerns cannot be effectively addressed by each individual jurisdiction. We felt it was imperative to identify those area-wide concerns that needed some area-wide auspices to address them. They might be relocation, housing rehabilitation; but exactly what they were needed some specification. We think it worth raising such issues because it is unlikely they are going to be resolved by any community block grant proposals made thus far.

One of the points that we tried to advocate to the federal establishment is that there should be some incentives to encourage interjurisdictional block grant funding, so that if a group of local jurisdictions did get together, they would realize some additional monetary benefits for program accomplishment.

Let me go from that point to talk a little about the process that the County has established on General Revenue Sharing. There are some messages from what was learned in that process which could be helpful with community development revenue sharing. First of all, we were able to have our Board of Supervisors adopt a set of guidelines. That, in effect, is the same thing as establishing general objectives within a community development program. In our case, some of the objectives became very simple, like keeping the County budget together; providing the same level of services. That's very fundamental but very simple; it can be stated and can be accepted.

Secondly, how do you solicit proposals for various functions to be undertaken with revenue sharing money? An analogy in the Annual Arrangement is that you have a group of administrative people who solicit the departments for work proposals. That's not a particularly satisfactory way to do it. One way is to do like San Francisco; that is, go around the city and anybody who has an idea to throw out on the table gets built into the process. In our case, anybody who sent in a proposal prior to a certain date got included within the process. That became a very open form of solicitation to all kinds of people for all kinds of programs that they wanted to undertake.

How to evaluate these proposals? You quickly recognize you have no comprehensive plan to deal with all the different proposals that have been offered. And you're not about to develop a comprehensive plan to serve as guidance, no matter how necessary it is. You have to establish some way to begin to evaluate those various proposals. In the case of General Revenue Sharing, we established a group of "socially-aware"



people who evaluated the social impact of each proposal. (I don't think we received one proposal that dealt in the area of housing services; they were all in "soft" services. That's a circumstance that warrants more discussion than is appropriate here.)

Following the evaluation by an administrative group -- so-called experts evaluating the social impact of programs -- the process has to get back into the political arena for resolution. When it does that, each proposal inevitably vies with other requests for funding, other demands for very limited resources. Each proposal is going to be tested against proposals submitted by others addressing the same ends, as well as against proposals in totally different areas competing for the same limited dollars. That is going to require a political process to resolve. In the political end, there are the inevitable problems of mediating among differing objectives and developing the strategies to accomplish very narrow objectives through a political entity allocating scarce resources.

Finally, to reinforce what Jim King has said, outside of the central cities, housing programs are going to have a very difficult time in achieving precedence over other requests for community development funding. There's a squeaky wheel approach and there's a comprehensive plan approach. Jim has indicated that local government tends to run on a squeaky wheel approach. If housing interests want to realize something out of community development and block grant funds, they are going to have to get their houses in order and develop the programs, so that when the money comes through, they will be in a position to implement them.

Thank you very much.

#### The Housing Authority as Part of a Community Development Program

Rita K. Olken  
Assistant Director, Alameda County Housing Authority

The events of the past two days have consistently reinforced one thought in my mind. That is, "The times they are a-changing!" And we'd better change with them! I think the statement of purpose on the program puts it well. It says that "general revenue sharing and prospects for special revenue sharing or block grants for housing and community development offer new opportunities to local governments. With these more flexible funding procedures, cities and counties can design programs more responsive to their needs." I would like to stress the phrases "new opportunities" and "more responsive programs." I think that's where it all lies. And then the question comes, how should a housing authority fit into this new environment? I'd like to give you one person's view of that.

I believe a housing authority can serve as an invaluable resource and agent for change for the local governing body. We should live up to our name and truly be an "authority on housing", dealing with the housing needs of the entire community. As was pointed out by one of the speakers

yesterday, 80 percent of the population today can't afford to buy housing. It is only when the total picture is viewed that a cohesive effort can be made to solve the housing problems of the community. HUD recognized the need for this coordinated approach during their most recent reorganization of the Area Office. At that time, it established teams with those responsible for the production of all HUD programs in a geographic area reporting to one Program Manager. The rationale for that is that we ought to know what we are doing -- all of us together, for that one city or that one community -- in order to avoid working at cross purposes.

I worked at HUD several years ago and at that time there was quite a difference in atmosphere. In those days the Housing staff was on the twelfth floor of the Federal Building; Renewal staff was on the eighth floor and the only time we ever found out what the other program was doing in a particular community was at a coffee break -- if the subject happened to come up. Sometimes (as a matter of fact quite often), we discovered we were working at cross purposes. Add to that the fact that FHA was all the way across town (we never had coffee breaks with FHA staffs) and you get an idea of what could happen. When I mentioned that in a workshop yesterday, it was decided that what I really was advocating was more coffee breaks!

I think what I am really saying is that, more than anything else, there needs to be a total picture of a community's needs. A housing authority can serve as a unifying force in a community's housing program. It can be the missing link between a local government's socially oriented programs and their constituents, and the physically oriented programs of the Building Department, the Planning Department and Public Works. It can do other things. It can try innovative methods of dealing with a community's housing concerns, investigating new financing techniques or developing housing corporations or nonprofit housing sponsors to provide housing, finding ways to make it financially attractive to private enterprise to provide housing for all income groups in the community.

It can serve the community in other ways -- perhaps as a property management entity responsible for maintaining rental property. In this way, it can help to sustain the quality of the community's existing housing stock. It might perform the function of a relocation agency for cities and counties -- helping to provide necessary replacement housing for families displaced through local governmental action.

As you can see, the possibilities are limited by only two things; the extent of the community's commitment or of the housing authority's responsiveness.

This concept can be applied within a variety of structures. I'm not really advocating one or the other. The housing authority might be part of the city government or the housing authority could be an entirely separate entity or as in our case, the housing authority could be part of a county governmental structure providing its services to those cities within the county who request them.

In any case, it is vital that the commitment and the responsiveness be

present, that local government and the housing authority work together to attempt to fulfill our joint objective: the improvement of the quality of life for all of the citizens of the community. Thank you.

Administering the Community Development Program

William Campbell

Deputy Director, Western Regional Citizen Participation Council, Inc.

Thank you, Mr. Chairman, and good morning. Let me first just indicate the purpose of the Western Regional Citizen Participation Council. We are an organization that was established in 1971 to provide technical assistance and training to the citizens in the Model Cities Program, Region IX, which includes Arizona, Hawaii and California. We've been operating for three years. We have a board of directors of 17 members who are citizens from our 17 cities. During that time we have assisted those citizens in working in their Model Cities Programs and understanding the regulations, the process -- many of the things that we are talking about today. I think we've been somewhat helpful in assisting those citizens' groups in keeping their programs viable and keeping the citizen input really meaningful.

During the time we've gone through the process we've seen General Revenue Sharing pass. Many of you know the whole process that required: many large cities, many large states, mayors saying, "We support General Revenue Sharing. It will bring more money into the cities," and this kind of discussion. A bill was passed very speedily in Congress. After the bill was passed, many categorical programs and other types of federal aid programs were cut out. We all were burned by that and now we have community development block grant revenue sharing approaching us again. I wonder if the cities are going to take a good look at the legislation and what it's going to mean to them. I wonder whether or not they are going to make some statements to make sure this legislation does not end up like General Revenue Sharing.

The citizens' groups, when General Revenue Sharing came through, analyzed that legislation and always had some apprehensions about it. We were not really able to affect it because it moved so quickly, but we were concerned then that many of the social programs were going to be dropped. As we have seen community development revenue sharing discussed, we are still very much concerned about that legislation and are keeping our citizens informed on a day-to-day basis on those areas where they ought to be making comments to their councilmen and elected officials. We all have to join in the effort to make sure that legislation is going to assist the cities to make sense. The cities have to take on new services. From what I've heard from city officials, most of these do not have the money. They're going to have to get federal aid. How that federal aid looks and what it is going to do to the cities is very important. If you are going to move for a community development system in your city, there are some things that the citizens have talked about and discussed and would like to see as part of that process. Let me talk about some of those.



One of the things that I am somewhat happy about is that most of the things we see in community development revenue sharing originated from the Model Cities Program; comprehensive planning, evaluation, city-wideness, getting citizens involved and the city closer together come from the Model Cities process. All of us who have worked in that program can at least say that the program has been successful in showing how citizens and cities can work closer together. So, in many respects, we won't lose the Model Cities Program because we find a lot of the elements included in all three of the community development bills -- even though in certain bills more than in others.

Citizen participation has pretty much been detached groups of citizens: Model Cities Program citizens who had their regulations and were mainly concerned about those; CAP\* Programs and all the other programs that existed in the cities. But there was no real organization or information shared among the three. That in itself is a mistake. As you talk about community development and city-wideness, the problem of how we bring the citizens' groups together so they can speak as a city-wide group is one of the concerns that city officials should have. In the Model Cities Programs we've seen two types of group: independent city organizations that were funded and had their own staff, operated pretty much outside of the city structure and had certain linkages with city staff but were not responsible to the cities -- they set their own rules and had their own constitutions and bylaws; others were integrated, the citizen participation groups were part of the city and in some way were responsible to the city manager or the CDA\*\* director.

I think as we begin to move city-wide, the different cities will have different problems in trying to bring those two types together. I could probably spend a whole hour going into how that could happen, but the main thing I want to point out is that if your Model Cities citizen group is independent or if you have never had any formal city-wide group in your city, it's going to be a little more difficult because you don't have anybody to work with. But in most cities, whether you had a Model Cities or a CAP or PAC\*\*\* or social services kind of an organization (child care, whatever), some citizen group out there has been active and, I'm sure, would be interested in talking to the city about expanding into a city-wide group.

Some of the elements that citizens' groups are talking about when they go city-wide are the community development plan and its inclusion in the total process of the city. Jim King pointed out that you're not just talking about the Model Cities Program but the total city budget. In any city you can give the example where Model Cities deals with maybe \$1 million and the city budget is over \$100 million or in some

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\*Community Action Program, funded by the Office of Economic Opportunity.

\*\*City demonstration agency, which administers the Model Cities program.

\*\*\*Project area committee (in urban renewal project areas).



cities, \$200 or \$300 million. So in our sessions with citizens we have stressed that we have to begin to look at the total picture. We don't have to tell them that. They tell us that; they understand that. They're saying, "How do we get into that?" and "Is it going to be made available to us and open to us?" That kind of city-wide structure should make available to the citizens a way they can participate in budgeting sessions and know about them in advance so that they are really able to have impact on them.

You can also go outside of the city structure. In one of our cities the citizens' plan calls for influencing school board decisions, even though the city has no responsibility for that. They understand that their influence or letter to the school superintendent can help in getting some of the things that citizens want. We are talking about a comprehensive, city-wide structure, not just one that is pigeonholed in Model Cities or CAP or whatever -- one that gives citizens an opportunity to get involved in all aspects of city operation.

What kinds of resources are the citizens going to need? In the Model Cities Program citizens have had some resources, whether their own staff or somebody who was assigned to them. We found that to be absolutely necessary. A citizen group cannot operate unless it's kept informed and has somebody who is responsible to their group. When you talk about a city-wide group in community development, it is essential that your citizen group does have adequate technical assistance, which would include staff resources.

Let me talk, just for a second, about the legislation that is proposed now and what our organization feels about some of the essential requirements in the legislation. Three bills have been presented to Congress that would provide some kind of community development block grant. To different degrees those bills have elements that WRCPC can support. There are three or four elements that we think are crucially important. One would be an application requirement so that the cities can not just get the money solely on the basis of a formula, but would have to submit an application laying out their goals and objectives and how they're going to implement their plans.

Another essential would be a citizen participation requirement. About a year ago when the first bill was introduced, we worked very hard to get strong legislation into the Sparkman bill. If you have an opportunity to read that bill, there is a section in it that says the citizens will be given resources and will be involved in the development of the community development plan. That is the language that we support in the bill.

One other element is that the money goes to the areas of most need. Recognizing that all the cities would probably qualify, we feel there are certain areas in the city, especially in large urban areas, that have problems that need immediate attention.

We are concerned about the heavy emphasis on hardware programs. This is definitely borne out in General Revenue Sharing legislation and special revenue sharing legislation is also shaping up to be pretty

much associated with the hardware strategy. Social programs should certainly continue to get a large consideration. That summarizes my comments on how citizens can be involved in community development strategy.

I want to make just a couple of other points. When I was with the Oakland Model Cities Program, ABAG had a citizens' housing group. I don't know how it's going now. ABAG itself should make a real effort -- and I'm not saying you're not, but I would think it would show by citizens' being here. Citizen participation is a real priority when it comes to ABAG.

NAHRO certainly has the same responsibility, with the PAC's and other ways, for having citizens involved.

Also, if we don't take some decisive action in all the legislation, we may not have any bill. David Thompson, who couldn't be here because he's in Washington for a month, is keeping us informed on what is happening on the Hill. It looks as though all the legislation has been so messed up with the mark-up sessions and the different amendments that there might not be any community development legislation for Fiscal Year 1974-75. So it seems to me that we're going to have to put pressure here locally on our own elected officials and Congressmen to get off the dime. If you are going to have any money at all come to you, it's going to take some kind of community development bill to pass. I would hope that whatever bill passes, some of those crucial elements that I was talking about earlier are included. Thank you.

## SMALL-GROUP DISCUSSIONS

### ADMINISTERING THE COMMUNITY DEVELOPMENT PROGRAM

#### Group 1

Most of the participants in this group were from model neighborhoods.

Concern was expressed over the importance of concentrating rehabilitation efforts in a few blocks in order to have a visible result which will support later appeals for funds to continue the program. The counter-argument was that it was more important to help those families that need it most in the entire model neighborhood than to focus on a smaller area and ignore the families outside of it.

The chairman pointed out the importance of having several city agencies work together to solve the model neighborhood's problems; their combined money and expertise will have more impact on the area. This is the community development concept. It was felt that there would have to be real commitment at the middle management level of the different departments before any real cooperation and coordination could take place.

Richmond is able to deal with redevelopment and relocation problems in ways different from San Francisco because it has more vacant land and lower costs:

- Richmond has a special code enforcement program in which a condemned home is torn down and the owner/occupant family is temporarily relocated with relocation funds while a new home is built in its place. The replacement housing payment (from the relocation program), up to a maximum of \$15,000, is used to build the new home. If the family needs a larger, more expensive, home, the Redevelopment Agency tries to help them get a mortgage for the additional money required. (This strategy only works where the family already owns the home.)
- Richmond also has a program whereby homes are built on vacant lots in the same neighborhood as a substandard house that is being torn down. The new house is completed and the family is moved directly into it. Then the old (substandard) house is torn down.

#### Group 2

This group was oriented to code enforcement and rehabilitation.

Publication of the ABAG report on housing needs and anticipation of the release of the State's housing needs report stimulated a discussion of definitions of "substandardness" and "overcrowding". Local agreement on the criteria to be used is necessary before a community can evaluate its housing situation. It was agreed that regional government had a responsibility to determine the extent of housing need.

It was suggested that the housing code rather than the building code be used in inspecting existing residential structures. In this way units which would be "illegal" under the present building code need not be cited or demolished if they are safe and habitable. Another measure to reduce the hardships associated with code enforcement would be to accept second-unit additions to existing single-family structures.

The group endorsed the idea of in-service training for building officials which would encourage coordination between housing-code and building-code enforcement personnel.

### Group 3

Discussion concentrated on the question of how to create effective mechanisms for citizen participation in the community development process.

In San Jose there is a Citizen Advisory Council; City Council members from delineated planning areas are responsible for selecting citizen representatives to the Citizen Advisory Council. The citizens' group is attempting to have citizens included as a normal part of the review process for municipal proposals.

In Pittsburg the membership of the Community Advisory Committee is comprised of both City Council appointees and citizens elected by census tract formulas.

One participant suggested that the important question regarding citizen participation was not how to achieve it, but rather, why it should be achieved.

To the extent that they can establish joint planning mechanisms without threatening local sovereignty, regional planning agencies were seen as valuable entities in promoting local community development.

### Group 4

This group focused on housing and social concerns in the administration of community development programs.

In October the League of California Cities endorsed a proposal for a Social Planning Element to be included in a city's general plan. It was the consensus that while each community needs one, it is an incredibly ambitious undertaking and a city might work long and hard and produce little.

There was some discussion of a role for ABAG. Participants agreed that there was need for a regional perspective in setting directions, e.g. in relocation and in housing. It was felt that a metropolitan housing agency is needed because many cities won't use their housing allocations; the unused remainder should be allocated by a regional agency.

There was some thought that, since counties rather than cities tend to perform social service functions, the interjurisdictional coordination



between cities and counties for social service delivery will become more important under revenue sharing.

It was felt that there should be internal consistency among a city's plan elements. It was suggested that the State should drop its plan element requirement and instead require community development strategies and maybe even give the cities State aid for this planning.

The group found a need for a mechanism for interjurisdictional block grant funding. They felt block grants were not likely to speak to the needs of relocation and housing conservation.

#### Group 5

This group was oriented to the role of housing authorities in community development. It was suggested that these agencies should take a broader view of problems connected with housing. There was a proposal that housing authorities and planning departments should work together to gather information and disseminate it to assist in housing problems.

A housing authority, operating under "management by accomplishment", would first ask what the community's housing needs are and what the agency could do to meet them. Agency performance would be evaluated regularly to determine what "works" and why; strategies that don't "work" would then be dropped.

Suggestions for achieving citizen participation included:

- Establishing contacts with existing groups, and
- Encouraging committees through working on the general plan.

The orientation of citizens' groups should be understood in order to get a balanced understanding of citizens' problems.

On the subject of whether the community development approach requires reorganization, the consensus was that it does not; it is simply necessary to look at problems differently, with greater interaction among housing authorities and among all community agencies. In this connection it was recommended that agencies exchange staff in the course of in-service training as a device for acquainting them with the operation of other programs.

#### Group 6

This group was oriented to the role of citizens in community development.

It was agreed that one of the most important lessons citizens need to learn is that they must be involved in the entire budgetary process, both for revenue sharing monies and for the existing city or county budget. Local governments have made it known that they are allocating the revenue sharing funds, but not as much notice is given on the regular budget sessions.

None of the current federal special revenue sharing bills (Better Communities, Sparkman or Barrett-Ashley) provides for anywhere near the level of citizen participation that the Model Cities legislation does.

The group was informed that there is an existing citizen participation mechanism at the regional level, the Regional Citizens Forum, and that they could learn about that by calling ABAG's Public Affairs Department.

The group recommended that the following concerns be incorporated in the community development strategy to be prepared and distributed by the Conference Planning Committee\*:

- That a good piece of community development legislation must include a mechanism or avenue for sound citizen participation at every level of major policy decision-making;
- That transition dollars are necessary and urgent as we move from categorical to block grant programs;
- That any community development legislation must have performance standards in it; it must meet the national goals in housing; it must have affirmative action guidelines.

The group also developed a resolution on citizen participation in local government which was later adopted by the full Conference in general session. (This resolution appears on page 82.)

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\*See resolution, page 81.

LUNCHEON SESSION

HOUSING GOALS IN 1973: A SHIFT FROM PRODUCTION TO PRESERVATION

The Honorable David O. Meeker, Jr., FAIA  
Assistant Secretary for Community Planning and Development,  
Department of Housing and Urban Development

I did have some notes from which I wanted to speak. That's normally the way I attempt to do business rather than a prepared address. I think even departing from the notes is probably not a bad idea. There were several very interesting comments that were made during the show-and-tell session here earlier; for instance -- this is my personal belief and I hold it strongly -- I really believe that if what you're about in ABAG and other organizations around this country is going to succeed, it's not up to the federal government to take away from Marin County, but for Marin County to give to the rest. That is my personal view, so if you're expecting me to tell you how much I'm going to take out of your hide to share, I would hope that you would give gracefully and we would not have to resort to that kind of technique.

The FACE program and others are of immense concern to me and to many other people at HUD at this particular time. I think that after a period of misunderstanding the programs carried under FACE, the 312 program, have begun to become a part of the federal conversation again. The fact that \$60 million of 312 program money was, in fact, released as part of the President's Housing Message says something about a program which, for instance, the Office of Management and Budget finds very disturbing from a fiscal standpoint and in year-to-year carry-over. The attitude of fiscal concern has been set aside for a broader concern for what can be accomplished within this particular responsibility. Sixty million dollars is not a lot of money when you recognize that we have a certain drag effect to make up, but it did represent, prior to the January Budget Message, a commitment for the restoration of that particular program. It represented a statement of concern for communities which has been lost in the discussion about housing allowances and housing block grants and a variety of other things.

The basic underlying tone behind the Housing Message is a concern for the preservation of the existing housing stock. It may have been carried off in a variety of other techniques about resolving problems of high interest rates through use of an exotic device called the tandem plan or making 5.5 billion dollars' worth of money available in September in the money market to aid people in the purchase of housing, to stimulate the savings and loans, and to change their arrangements. It may well have been lost in the concern that was expressed that, possibly, to put the banking institutions on the same level as the savings and loans where mortgage portfolios are concerned, we might wish to think of a tax credit which would go up to 3½ percent provided 70 percent of the bank's portfolio was in mortgage, thus causing that particular group of institutions to come forward and play an expanded role. It was probably definitely lost in the suggestion

that we wished to ask Congress for an expanded experimental program to deal with housing allowances.

What was lost in that particular comment about housing allowances was an increasing perception that the problem of housing is one of income and not of construction. Where people have a food problem, we say it is poverty; where they have a housing problem, we have said it is construction. In reality, they are one and the same. If you have insufficient food, insufficient housing, insufficient access to transportation, these become very rapidly a part of depleted availability of income to be put into these pictures.

One of the issues that has largely been overlooked in this conversation is what happens to people who have increased ability to seek out and purchase housing wherever it may be. The concept of freedom of choice and the ability to select becomes an entirely different operation from the classic construction program which has been largely one of a project orientation in which people have had to accept the housing, wherever it might be. The classic battle between city and suburb has been exacerbated by this particular bulk approach to resolving the problem: the people in the suburbs feeling that they cannot absorb a concentration and people in some parts of the city not really being interested, able or willing to move into other areas of the community, but having that housing out there representing a resource for them.

Also lost in the general discussion is the concept that production of housing in some way must be related to need, and it cannot be legislated on a ten-year basis, prescribing how much housing HUD will build. The Housing Act of 1968 has a continuation of those broad goals that began in the Housing Act of 1949; a safe and decent house for every American. But they were changed somewhat in 1969 with the statement that, to accomplish this, in the next ten years we should build 26 million units of housing and six million of those units should be for low- and moderate-income people.

How were those figures arrived at in the first place? They were arrived at as an extension of the 1960 Census. In 1968, when that act was in the Congress, the projection was that the United States would have, by the turn of the century, a population increase of 100 million people. As of today, the projection for population increase in that same period of time is 51 million people. How, then, does the change in family formation, the change of age groups, the change of numbers of people involved impact back on a legislatively mandated target? How do we reflect back on the situation that under all of the housing acts that are presently carried on the federal books, there are 257 active programs on the Federal Register, and they are managed by 57 different agencies and departments?

How can you begin to develop a rational tie between community development and housing? How, if you examine the conditions of those particular acts can you rationalize the fact that 40 percent of the American public is entitled to assistance in housing within those particular pieces of legislation? How can you rationalize the fact that to reach these



particular goals would require a minimum appropriation this year on the part of the Congress of \$34 billion? And how do you rationalize the fact that we are only serving one out of fifteen people who do qualify? How do you rationalize the fact that if everyone who lives in a 235 or a 236 project is within the poverty guidelines, (this does not necessarily hold to be true), and you took the people who live in public housing at this moment and you discovered that that was 6.1 million Americans who were served by those particular programs but that there are at this moment 24.3 million people who are in poverty? How do we begin to speak to these various issues? Is it important for us to begin to talk about this to determine who it is we should serve and how best we can bring this service into being?

If our concern is for low- and moderate-income people and we are serving only one quarter of the poor, and probably not much more of the low or the moderate incomes -- then our programs are not reaching the group that we as a nation have dedicated ourselves to. We have appropriated, on an annual basis, through the Congress only about 3½ billion dollars per year for housing in the HUD programs. All of those programs, together, only represent something over 4½ billion dollars as contrasted to the 34 billion dollars which is required.

The reason I have gone to these particular statistics is that I think it's important to us in times like this to understand the scope of the problem and to define from the scope of the problem what, in fact, our commitments should be. In a recent appearance before the House in a discussion of housing, I was told that we were absolutely insane to believe that the Congress would ever appropriate \$34 billion in one year. You saw yesterday, possibly, that HEW appropriated a total of \$22 billion -- and HEW represents the single largest appropriation for human resource programs in the federal government. HUD, by contrast, through all of its programs only appropriates about \$6 billion a year, among housing, community development and the whole lot, in the best of years. In many years, it's down below the \$5 billion dollar mark. But how do we deal with this particular circumstance?

If there is a limited amount of money; if that is a given; or if that is understood; then how do we dispense the money to those who are most needy? And how can a strategy be developed to reach a total housing market with freedom of choice and opportunity for safe and decent housing, and avoid perpetuating some of the very significant problems that we have at this time? For instance, most of us as city officials, county officials, have been troubled at one time or another with the concept of abandonment. A portion of abandonment is directly related to a heavy construction program. Last year HUD built 390,000 units of subsidized housing. We have never had the appropriation or the opportunity to build up to the 650,000 that would be needed over the next several years to meet the basic intent of that Congressional mandate. But 390,000 were built, and in fact, in the last four years we have built more units of housing under the subsidy programs which are available to us than were built in the entire 34 preceding years of housing programs.

Only 1.2 million units of federally assisted housing, not including public housing, were built over the last four-year period, but there have been some significant structural deficiencies that have been found within the program. For one, right now, if the current trend continues, Secretary Lynn will be the proud possessor of very nearly 280,000 units that have been defaulted by individuals and by corporations and not-for-profit groups and every organization known to man, and returned to HUD. Having some idea of the size of San Francisco and comparing it to my own city, I would make an off-the-cuff guess that that figure represents very nearly the entire housing stock of the City of San Francisco. It is just slightly less than the housing stock for my own city, which has a population of 821,000. How do we deal with this kind of a problem within a program? If we build 400,000 units a year and in the same year we are taking back more than 200,000, what kind of a process do we find ourselves in? What kind of a process do we find ourselves in where the construction program has been allowed to run in such a way that it causes this situation to come about? We have obviously not paid adequate attention to making certain that people are in income positions or in rent positions where they can sustain themselves, given an inflationary period and given certain other reverses which occur as the normal activities of the economy. How do we begin to deal with these? I don't think we have dealt with them adequately at the moment.

It does seem to me that the strategy of preservation of the existing stock and a more limited new-construction program begins to speak to the issue of community development. Most of the new construction, because of requirements for project-selection and a variety of other administrative devices, has not been built within the central city. In fact, some of HUD's own rules in the past have almost mitigated against the implementation of any kind of rational community development strategy which includes both rehabilitation and new construction. This seems to me to be an area of obvious attention. It can be addressed several ways. One, increased funding in programs like 312; two, making mortgage credit more easily available over longer periods of time, at higher amounts of base money, for home modernization loans, so that people who are not in an income bind who wish to improve their housing and wish to hold their ground may do so. This has, in fact, been requested of the Congress and has not been acted upon.

In the area of overall community development, the link is not well enough established. Some of the legislation proposes that we should have a housing allowance or a housing block grant program, but that same legislation which proposes a housing block grant program also proposes a new-construction program -- one operated by local government and the other operated by HUD. It will require some very unique kinds of organizations for us to perceive how this will weave together with these two different approaches, but it is not insurmountable.

The point really is that most of the mayors who have testified in favor of housing block grants have said that if they received one, their intent would be to use it to preserve the existing stock. This probably recognizes several things. Most cities have had some experience with code enforcement programs, with 312 programs; they have the mechanism to implement this type of strategy. Very few communities have had any

experience or have any mechanism to carry on a program of new construction, to say nothing of the very clouded area in all of this as to who would be the holder of the 40-year mortgage -- whose faith and credit under this particular concept would be that which everyone falls back on in extremis. I do not believe that the communities have sufficient faith and credit available to them at the present bonding limitations to be able to go into a new construction program under the guise of a block grant program, because they cannot extend their credit for 40 years. Most cities are precluded by state law from extending their credit, except under bond issues, beyond the current term of office of the existing chief executives. The state may have an opportunity to be involved in this particular area and it seems to me to be a reasonable situation for the state to play a joint role with the federal government in causing housing construction to occur.

You'll notice I'm talking about housing construction because in September when the President's Housing Message was issued, it released 200,000 units of new construction for the last nine months of 1974 as well as releasing 109,000 units of housing which was stuck in the Area Offices on January 5 when the moratorium went into effect. For nine months of this year, then, we will be building 309,000 units of housing, which compares to 390,000 in 1973. I think this point has to be recognized: no one is proposing, in any of this, the termination of construction activity. It is not possible to do this on a national basis because vacancy rates and occupancy conditions cannot be perceived on a broad national basis. In fact, housing is a regional problem.

I have another area of concern about seeking block grants for housing through general purpose units of government. It seems to me that if we are to do what Marin County -- at least represented by one citizen -- would like to have done, we will have to use the kind of structure that is represented by ABAG and by units similar to ABAG all over this country. It is only within the regional context that we will be able to offer the broadest opportunities and utilize this kind of funding effectively.

I would like to retreat at this moment to a couple of notes that I have because in any of these situations there are certain principles that I would like to enunciate. One, a series of goals within community development revenue sharing. I have four in number:

I believe that the just distribution of funds for community development revenue sharing is a principal goal in any program which is adopted. In my mind this means that need is the principal basis and not ability to garner political power or grantsmanship. There has to be a formula distribution which recognizes, at an absolute minimum, a substantial weighting effect for poverty, so that we do in fact distribute these funds broadly to the communities having the greatest element of poverty. If we are talking about a link between housing and community development, there has to be some portion dealing with the condition of housing, which is extremely difficult to measure in a formula on a nationwide basis; probably another one which is easier is housing overcrowding. Through these, with the introduction of



population, we do begin to get a measure of distribution of funds on the basis of need rather than the classic mold that has been followed in the past.

Two, reduction of federal overregulation. I am somewhat amazed as the years go by when I look at those three little guidelines that supported the Housing Act of 1949 and urban renewal in its early years. Look at where we are now -- there's virtually an eight foot shelf of guidelines. Facetiously, I suppose I could say that if you wanted to resolve the problems of urban renewal, you might wish to retreat to those three little guidelines in the basic Act of 1949. This is what I mean by federal overregulation: the real insistence that we must tell everybody what they are to do. There are certain broad national goals and requirements of legislation which are ours to talk about, but there are certain responsibilities for implementation which are best left to local decision. In 1972, on a national basis, HUD had almost \$8 billion worth of urban renewal commitments around the country. By the end of 1974, we will be down to something like 5½ billion dollars. It seems to me only reasonable and prudent that we ought to be consuming that which has been appropriated, and for which commitments have been made, before we launch enormous programs to continue, because it does not seem to me to be fruitful for us to take so long with certain of our projects. I notice, for instance, in talking at the Area Office here, that the Yerba Buena Project -- which is of some interest because of all of the suits -- by the time it is completed under the present scale of events, will probably be a project 17 years in operation. If the need for that project, in fact, existed and the dynamics of our society are as they are, can we really take 17 years to deal with people in human terms in resolving their problems?

Three, the strengthening of local democratic decision making. It seems to me that we have done a very good job in this to date, but we need to continue in strengthening this decision-making process. The concept of the project area committee, Model Cities citizens structures, community action against poverty program groups and so on has, over the last ten years, built up a very substantial constituency of concerned citizens who have very definite turf in mind and who have increasingly involved themselves in the overall concerns of local government. They have gone beyond the boundaries of the project area or the Model Cities boundaries, seeking to understand and participate in the total distribution of revenue at the local level. I think this is excellent. One of the goals I would like to have is the continuation and the sharpening of this particular process, because I believe that in many modern American urban administrations, we have mayors and councilmen who are willing more than ever before to participate in this particular process.



And finally, at a minimum, I would like to see increased flexibility within the programs to permit the local community to adjust within their priorities within the national priorities, so that we do not mandate that a percentage of the money should be spent for specific purposes. I think we should allow the opportunity to bulk the money together to go after immediate targets of opportunity and need in order to accomplish what is required within that format in a reasonable time. The basic responsibility and accountability for those decisions should be vested at the local level where the greatest amount of influence can be brought to bear.

Within the area of housing, there is a series of goals which are spelled out, some of which are immediate; some of which are long-term. They are not necessarily in every case as compelling, but I think they should be enunciated:

One, to ease the present tight mortgage situation. Regardless of any program that we may wish to attempt, as long as there is not an adequate access to mortgage money, construction has very little to support it.

Two, to make it easier for home owners, both urban and rural, to obtain mortgages over longer terms.

Three, to assist low-income families to obtain decent housing.

Four, to improve community environment for housing.

Five, to assure equal opportunity for all Americans seeking housing. One of the interesting things that came out of some of the studies on equal opportunity -- it was not very well perceived by the male -- is the extreme problem that a woman head of household has in securing a mortgage. At this time we have an increasing number of female heads of household. In surveys we have found that where the job is the same, the income is the same, the family is the same, the credit situation is the same, the assets are the same, women do not receive equal treatment with men. This, I think, has to be adjusted as a recognition of a change in the way our society is put together. Legislation has been presented to the Congress concerning this particular problem.

Where then do we go with an area planning concept? How do we do the business of ABAG and the others? It seems to me that, as outlined within your own program material, the proposed regional housing goals are complementary to a substantial amount of what I have said to you. The goals that I have enunciated are hardly different from the goals which are spelled out in the Regional Housing Newsletter, Spring, 1973.

How, then, is it accomplished within a regional format? I will give you a personal scenario of what I perceive to be the role of the regions.

I say personal because it is not at this time Departmental policy. In most states of the Union, substate regionalism is brought about by action of the state. In certain parts of the country it is brought about by an amalgam of concerned local governmental units, but more often the state does, in fact, designate the boundaries of the substate units. In the past, HUD has certified those particular boundaries so that 701 money could flow. I would suggest that that has been sufficient in the past but is not longer sufficient within the broad scope of the problem that faces us.

To give you a concept of planning, there are on the books today 112 funded planning programs at the federal level. They, too, are operated by just about everybody and his brother; instead of 57 there are only 52 agencies and departments which operate those. They do not have commonality of boundary; they do not have commonality of staffing requirement; they do not have commonality of organization, and in some cases, are directly counterproductive, one with the other. How then to rationalize this process to begin to reach a broader opportunity? Suppose, for instance, that we use some of our 701 money to encourage the states in creating, when that is their role, substate regional districts composed of elected officials. Suppose then, as opposed to HUD's recognizing this particular responsibility, that at a minimum, the Federal Regional Council recognized those boundaries. And suppose the federal government made, in return for this kind of a situation, a statement that they would seek to rationalize the boundaries of the bulk of those 112 planning programs to conform to the regional boundaries so laid out and certified. It would not be possible in every case -- watersheds do not necessarily follow political lines; air quality control districts certainly do not follow political lines -- but I believe the majority of the programs that I am talking about could be made to conform to those districts. Health planning units would not exist two or three or four in number within a region; there would only be one. Those funds would be delivered to that regional body and you can follow down the line. You begin to develop a scenario, a rationale, a way of operating, where for the first time on a regional basis you can begin to be funded adequately to do comprehensive planning to implement important programs within this format.

A part of the change to bring this about is a change within HUD itself. It means that HUD has to work more carefully and more precisely with the states than we do at present. It recognizes that HUD happens to be one of the few agencies in the domestic arena which do not deliver their funds through the states -- but tends to deal directly with client groups. Eighty percent of that \$32 billion in HEW money is going to hit your community through the state; all of the LEAA\* money hits your community and this region through the state; all of the state highway money hits in that same fashion. If you were to carefully analyze -- I know that Jim King in San Jose has, because we participated in this exercise together -- you would find that most of our municipalities only control

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\* Law Enforcement Assistance Administration.

about ten percent of all of the federal revenues that hit within their communities. All of the rest goes to individual organizations, groups and institutions.

The reason for working on the particular scenario for rationalizing the planning process is my faith in the planning profession. As mentioned on my right by the representative of the American Institute of Planners, we want to know where the fat is and how to get to it. The process that I am pointing out to you leads to a substantial overview of the fat and how to get to it, because if within a regional structure, you take on all of this planning, shortly thereafter you will concern yourself with capital improvement programs, resource allocation programs and a variety of construction programs which will lead you in to all the rest of this money. Then, in a reasonable and rational fashion, some of these problems can be resolved. That's what I personally would like to see happen.

There is an advantage from time to time in fragmentation, because out of fragmentation comes an occasional very creative idea or very dynamic individual who has found out that the way to salvation as far as he is concerned is to find the cracks in the existing programs and to drive through the cracks, identify everything as a demonstration program and get it funded. But I don't think we can depend purely upon this kind of situation to do business on a national scale. I am concerned about the implementation of these particular programs. I am concerned about how we move from 1974 into fiscal '75 and how community development revenue sharing and housing programs are carried forward. I think from the statement of goals and general views that I have given to you, you can see that I perceive a substantial amount of this to be within local initiative. I do recognize the compelling national goals, but at the same time, in recognizing the compelling national goals, I hope that in our structure we will offer the opportunity for the more often usual than unusual case where the national goals do not precisely apply. I hope that rather than have a turn-on, turn-off situation we can allow some flexibility. I really do believe in what NAHRO is doing and what ABAG is doing, and I believe that, from the standpoint of the Administration, within the area of housing we are attempting to do something also. If we are able to highlight the inequities which exist in our current programs -- the fact that intent spelled out legislatively is not followed up with appropriation, if we are to recognize that we do not really serve those people we say we are to serve by all of these programs, then the six months' moratorium will have been valuable. If we don't perceive these kinds of opportunities and take advantage of them to adjust the system, then it will be for naught.

Thank you.

RESOLUTIONS ADOPTED BY THE CONFERENCE IN GENERAL SESSION, NOVEMBER 10, 1973

1. Directing the ABAG/NAHRO Conference Planning Committee to Devise a Strategy for the Use of ABAG, NAHRO and Local Governments in Supporting Block Grant Legislation for Housing and Community Development.

Whereas, the present status of categorical federal grant programs and the doubtful passage of proposed legislation threatens existing community development programs, and

Whereas, local governments face the prospect of wasting the resources invested in housing and social programs in the last two decades, and

Whereas, there appears to be widespread public apathy and a lack of understanding of the consequences to communities, and

Whereas, ABAG and NAHRO have regional constituency and responsibility,

Therefore, this Conference assembled requests the ABAG/NAHRO Conference Planning Committee to devise a strategy for local action to:

1. Support the concept of block grants to local communities, which grants be required to address national goals, including low and moderate income housing,
2. Support adequate interim funding for existing programs in community development areas, pending passage and implementation of block grant legislation.

Said strategy should include, but not be limited to lobbying at the Federal and State levels and should be designed to be activated by locally elected officials, key local administrators and the National Association of Regional Councils.

2. Requesting ABAG and NAHRO (Bay Area Chapter) to Work for State Legislation Providing Exemption of the Value of Improvements to Residential Property from Its Assessed Valuation for a Stated Period of Time

Whereas, residential property, when improved, generally results in an increase in assessment and a resultant increase in taxes which discourages housing rehabilitation and neighborhood improvement,

Therefore, be it resolved that this Conference calls upon ABAG and NAHRO (Bay Area Chapter) to request their constituents to work for the adoption of legislation in Sacramento which provides for an exemption of the value of improvements to residential property as it may affect its assessed valuation for a stated period of time, as proposed in Senator Marks' Senate Constitutional Amendment 37.



3. Calling on ABAG and NAHRO (Bay Area Chapter) to Request their Constituents to Call upon Their Congressional Representatives to Exclude Fiscal Years 1973 and 1974 from the Formula for Hold-Harmless

Whereas, the formula for establishing the hold-harmless allocation of special revenue sharing is currently based upon the average federal funding over the past four years, and the moratorium has been in effect during Fiscal Years 1973 and 1974, and

Whereas, little or no funds have been released,

Therefore, be it resolved that this Conference calls upon ABAG and NAHRO (Bay Area Chapter) to request their constituents to call upon their Congressional representatives to exclude the fiscal years during which the moratorium was in effect, Fiscal Years 1973 and 1974, from the formula for hold-harmless.

4. Calling for Adequate Provision for Citizen Participation in Community Development at the City, County and Regional Levels

Whereas, there is community development legislation pending at the federal level, and

Whereas, there is state legislation which affects community development activities,

Therefore, be it resolved that:

1. In each jurisdiction the method for citizen participation be developed with a broad base of citizen input,
2. Citizen input in formulation of the goals and objectives of a city, county or regional jurisdiction be actively and formally solicited at the beginning of the community development programming process,
3. Citizen participation programs be adequately funded and staffed to allow a meaningful level and quality of participation.

#### STRATEGY FOR SUPPORTING BLOCK GRANT LEGISLATION FOR HOUSING AND COMMUNITY DEVELOPMENT

The November 10, 1973, General Session of the Conference on Community Development and Revenue Sharing cosponsored by the Association of Bay Area Governments and the Bay Area Chapter of the National Association of Housing and Redevelopment Officials, adopted a resolution calling on the ABAG-NAHRO Conference Planning Committee to prepare a strategy for local action.

The following suggestions were prepared by the Committee for use by locally elected officials, key local administrators and the National Association of Regional Councils in support of on-going housing and community development programs and block grant legislation. Please use them as you see fit.

The Committee recognizes that the character of Federal aid is especially sensitive in promotion of intergovernmental cooperation, wise public investment and areawide planning for orderly and balanced development. Three Federal bills on community development (S1744, the Community Development Assistance Act of 1973; S1743, the Better Communities Act; and HR10036, Housing and Urban Development Act of 1973) propose a major change from the categorical grants-in-aid system. The Committee recommends that local action support the concept of block grants to local communities as presented by the House and Senate bills.

Such legislation must include:

- Adherence to National Goals and stress the following: (1) programs for meeting the housing needs of the community, with emphasis on the needs of low- and moderate-income individuals and families residing or working in the community, and (2) steps to prevent and eliminate slums and blight and upgrade neighborhood environment through urban renewal, code enforcement and similar programs;
- Adequate funding for all community development programs, with emphasis on housing of low- and moderate-income families and individuals;
- A mechanism for sound citizen participation at every level of major policy decision-making;
- Guidelines for affirmative action regarding equal opportunity;
- Basing the formula for the hold-harmless allocation on the highest three of the past five years because little or no funding was released in Fiscal Years 1973 and 1974;
- Funding to complete on-going community development projects separate from block grants; and
- Language to foster areawide cooperation and coordination in metropolitan areas and rural regions.

The Committee Supports adequate interim funding for existing housing and community development programs pending the passage and implementing of the new legislation.

Local action should include, but not be limited to, lobbying at the Federal and State levels (a list of legislative representatives from the Bay Area is included herewith).

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